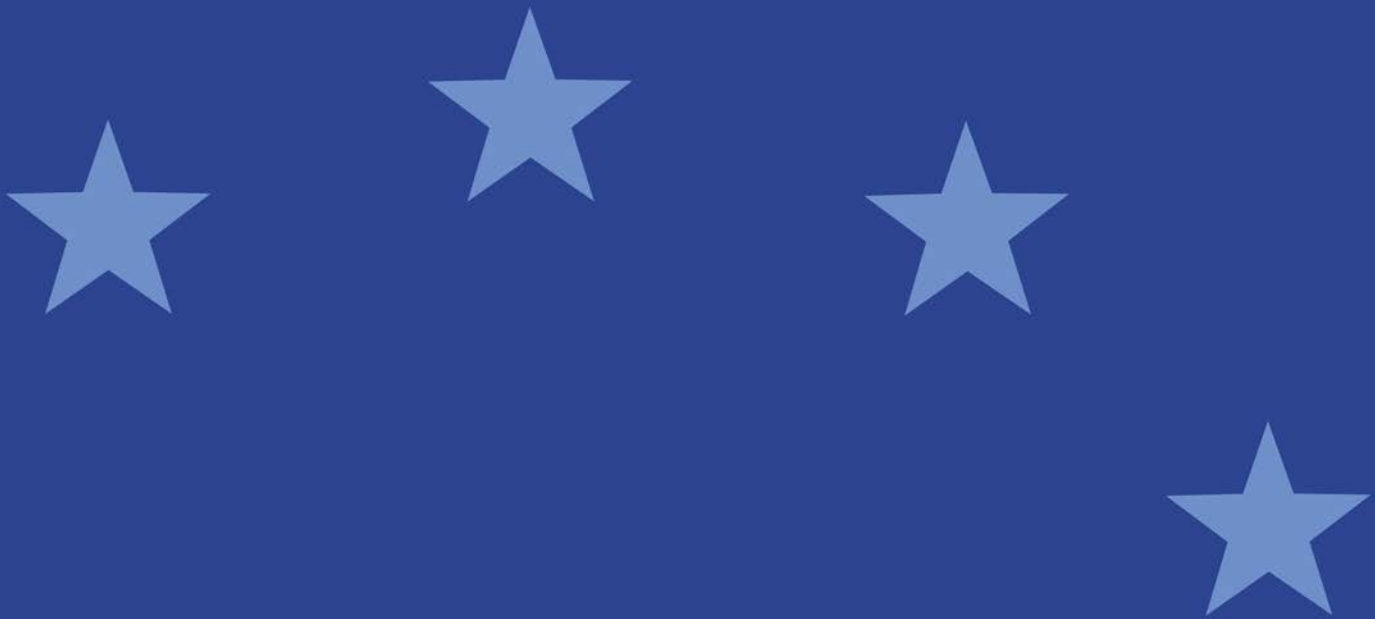


# Response Form to the Consultation Paper

**MiFID II/MiFIR review report on the development in prices for pre- and post-trade data and on the consolidated tape for equity instruments**



## Responding to this paper

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex 1. Comments 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.

ESMA will consider all comments received by **06 September 2019**.

All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading 'Your input - Consultations'.

### Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

1. Insert your responses to the questions in the Consultation Paper in the present response form.
2. Please do not remove tags of the type <ESMA\_QUESTION\_MDA\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
3. If you do not wish to respond to a given question, please do not delete it but simply leave the text "TYPE YOUR TEXT HERE" between the tags.
4. When you have drafted your response, name your response form according to the following convention: ESMA\_MDA\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_MDA\_ABCD\_RESPONSEFORM.
5. Upload the form containing your responses, in Word format, to ESMA's website ([www.esma.europa.eu](http://www.esma.europa.eu) under the heading "Your input – Open consultations" → "Consultation on Position limits and position management in commodities derivatives").

## **Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publically disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. 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 not to disclose the response 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](http://www.esma.europa.eu) under the heading [Legal Notice](#).

## **Who should read this paper**

All interested stakeholders are invited to respond to this consultation paper. This consultation paper is primarily of interest to users of market data and trading venues, but responses are also sought from any other market participant including trade associations and industry bodies, institutional and retail investors.

## General information about respondent

Name of the company / organisation	Finance Finland
Activity	Other Financial service providers
Are you representing an association?	<input checked="" type="checkbox"/>
Country/Region	Finland

## Introduction

*Please make your introductory comments below, if any*

<ESMA\_COMMENT\_MDA\_1>

Finance Finland represents the majority of banks, insurers, finance houses, securities dealers, fund management companies and financial employers operating in Finland. It has 347 member organisations.

<ESMA\_COMMENT\_MDA\_1>

## Questions

**Q1** : Have prices of market data increased or decreased since the application of MiFID II/MiFIR? Please provide quantitative evidence to support your answer and specify whether you are referring to equity and/or non-equity instruments.

<ESMA\_QUESTION\_MDA\_1>

The prices of market data have increased since the application of MiFID II/MiFIR. Latest published evidence can be found from a Copenhagen Economics report on 2018 <https://www.copenhageneconomics.com/publications/publication/pricing-of-market-data>.

<ESMA\_QUESTION\_MDA\_1>

**Q2** : If you are of the view that prices have increased, what are the underlying reasons for this development?

<ESMA\_QUESTION\_MDA\_2>

The nature of market data is such that the data is unique for each trading venue where offers are registered so that there is no competition between trading venues on a specific piece of data. Market data users must collect data from all venues to comply with the regulation. Because of the nature of the data, users are forced to pay the price that the trading venues are asking for.

In case market data would be competitive in nature, we believe that the prices of market data would not be as high as now and would have decreased significantly.

<ESMA\_QUESTION\_MDA\_2>

**Q3** : Following the application of MiFID II/MiFIR, are there any market data services for which new fees have been introduced (i.e. either data services that were free of charge until the application of MiFID II or any new types of market data services)?

<ESMA\_QUESTION\_MDA\_3>

According to Copenhagen Economics report from 2018 (see Q1 for internet link), there are a significant amount of new fees that have been introduced after the application of MiFID II/MiFIR.

<ESMA\_QUESTION\_MDA\_3>

**Q4** : Do you observe other practices that may directly or indirectly impact the price for market data (e.g. complex market data policies, use of non-disclosure agreements)? Please explain and provide evidence.

<ESMA\_QUESTION\_MDA\_4>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_4>

**Q5** : Do you agree that trading venues/APAs/SIs comply with the requirement of making available the information with respect to the RCB provisions? If not, please explain which information is missing in your view and for what type of entity.

<ESMA\_QUESTION\_MDA\_5>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_5>

**Q6** : Do you share ESMA's assessment on the quality of the RCB information disclosed by trading venues, APAs and SIs? If there are areas in which you disagree with ESMA's assessment, please explain.

<ESMA\_QUESTION\_MDA\_6>  
Yes. Standardising the terminology of price lists would help the data users to have a better understanding of the fees that they must pay when gathering the data.  
<ESMA\_QUESTION\_MDA\_6>

**Q7** : Do you agree that the usability and comparability of the RCB information disclosed could be improved by issuing supervisory guidance? If yes, please specify in which areas you would consider further guidance most useful, including possible solutions to improve the usability and comparability of the information.

<ESMA\_QUESTION\_MDA\_7>  
We believe that a more thorough supervisory guidance is needed in order to resolve the issue.  
<ESMA\_QUESTION\_MDA\_7>

**Q8** : Do you think that the current RCB approach (transparency plus) can deliver on the objective to reduce the price of market data or should it be replaced by an alternative approach such as a revenue cap or LRIC+ model? Please justify your position and provide examples of possible alternatives.

<ESMA\_QUESTION\_MDA\_8>  
We support the RCB approach included in the current MiFID II Directive. However, we're also of the opinion that only few trading venues and APAs at present offer market data in accordance with the intention behind the RCB approach.

Seen from our perspective, one reason is that the current regulation lack a clear definition of what 'reasonable' and 'appropriate' means. Clarity on these defintions is a pre-requisite for the RCB approach to reduce the price of market data as intended.  
<ESMA\_QUESTION\_MDA\_8>

**Q9** : Do you consider that a revenue cap model as presented above might be a feasible approach to reduce the cost of market data? Which elements would be key for successfully implementing such a model?

<ESMA\_QUESTION\_MDA\_9>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_9>

**Q10** : Did data disaggregation result in lower costs for market data for data users? If not, please explain why?

<ESMA\_QUESTION\_MDA\_10>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_10>

**Q11** : Why has there been only little demand in disaggregated data?

<ESMA\_QUESTION\_MDA\_11>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_11>

**Q12** : Do trading venues and APAs comply with the requirement to make available data free of charge 15 minutes after publication? If not, please explain in which areas you have identified deficiencies

<ESMA\_QUESTION\_MDA\_12>  
There are trading venues and APAs that comply with the requirement to make data available free of charge 15 minutes after publication. Unfortunately several data providers make data available in a format that can not be collected by data users because the format is not machine-readable. Also some data providers make the data free of charge for a specific period of time and after that period the users must again pay for the data to be able to see it.  
<ESMA\_QUESTION\_MDA\_12>

**Q13** : Do you consider it necessary to provide further supervisory guidance in this area (for instance by reviewing Q&As 9 and/or 10) Please justify your position and explain in which area further guidance may be needed? Please differentiate between pre- and post-trade data.

<ESMA\_QUESTION\_MDA\_13>  
Yes. Reviewing the wording of Q&As 9 and/or 10 is needed.  
<ESMA\_QUESTION\_MDA\_13>

**Q14** : Do you agree that the identified reasons, in particular the regulatory framework and competition by non-regulated entities, make it unattractive to operate an equity CT?

<ESMA\_QUESTION\_MDA\_14>  
Yes. We also agree that there is probably not a significant demand for real-time data from the CTP because of high costs. The CTP should focus on offering delayed data that can be utilised in post-trade framework.  
<ESMA\_QUESTION\_MDA\_14>

**Q15** : Do you consider that further elements hinder the establishment of an equity CT? If yes, please explain which elements are missing and why they matter.

<ESMA\_QUESTION\_MDA\_15>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_15>

**Q16** : Please explain what CTP would best meet the needs of users and the market?

<ESMA\_QUESTION\_MDA\_16>

In our view, a CTP would best meet the needs of users and the market if it strives to have a 100 % coverage of market data. At the same time it needs to be realised that a 100% coverage is a difficult task and the market may settle for a less coverage. But the lower the coverage is, that also means that the market can not fully benefit from the CTP.

Because of the current regulatory landscape we believe that a commercial CTP will not appear because it is not beneficial to operate as a CTP. One option would be to have ESMA as the CTP provider.

<ESMA\_QUESTION\_MDA\_16>

**Q17** : Do you agree that real-time post-trade data is available from both trading venues and APAs as well as data vendors and that the data is currently not covering 100% of the market, i.e. including all equity trading venues in the EU and all APAs reporting transactions in equity instruments? If not, please explain.

<ESMA\_QUESTION\_MDA\_17>

Yes.

<ESMA\_QUESTION\_MDA\_17>

**Q18** : Do you agree that post-trade data is provided on a timely basis and meets the requirements set out in MiFID II/MiFIR and in the level 2 provisions? If not, please explain.

<ESMA\_QUESTION\_MDA\_18>

Yes.

<ESMA\_QUESTION\_MDA\_18>

**Q19** : Do you agree with the issues on the content of data and the use different data standards identified or do you consider that important issues are missing and/or not correctly presented?

<ESMA\_QUESTION\_MDA\_19>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_19>

**Q20** : Do you agree that the observed deficiencies make it challenging to consolidate data in a real-time data feed? If yes, how could those deficiencies best be tackled in your view?

<ESMA\_QUESTION\_MDA\_20>

Yes. Data standardisation and producing a guideline should help the issue.

<ESMA\_QUESTION\_MDA\_20>

**Q21** : What are the risks of not having a CTP and the benefits of having one?



<ESMA\_QUESTION\_MDA\_21>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_21>

**Q22** : Would you be supportive of an industry-led initiative to further improve data quality and the use of harmonised standards or would you prefer ESMA guidance? Please explain.

<ESMA\_QUESTION\_MDA\_22>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_22>

**Q23** : In addition to the standardisation of the reporting and format, as described before, did you identify any further relevant data quality issue to be considered for the successful establishment of CTPs?

<ESMA\_QUESTION\_MDA\_23>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_23>

**Q24** : Do you agree that the mandatory contribution from trading venues and APAs to a CTP would favour the establishment of CT?

<ESMA\_QUESTION\_MDA\_24>  
Yes.  
<ESMA\_QUESTION\_MDA\_24>

**Q25** : Do you have preferences between the option of (i) requiring trading venues and APAs to contribute data to the CT, or, in alternative (ii) setting forth criteria to determine the price that CTPs should pay to TVs and APAs for the data? If so, please explain why.

<ESMA\_QUESTION\_MDA\_25>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_25>

**Q26** : Do you agree that the mandatory consumption could favour the establishment of a CT? If not, please explain your concerns associated with the mandatory consumption.

<ESMA\_QUESTION\_MDA\_26>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_26>

**Q27** : Would mandatory consumption impact other rules in MiFID II and if yes, how?

<ESMA\_QUESTION\_MDA\_27>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_27>

**Q28** : Do you consider it necessary that the CT covers all trading venues and APAs and the whole scope of equity instruments or would you be supportive of limiting the coverage of the CT? Please provide reasons for your preference and explain your preferred approach.

<ESMA\_QUESTION\_MDA\_28>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_28>

**Q29** : Do you agree with ESMA's preferred model of real-time CT? If you consider that, on the contrary, the delayed or tape of record CT are preferable, please indicate the reasons of your preference.

<ESMA\_QUESTION\_MDA\_29>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_29>

**Q30** : Are there any measures (either technical or regulatory) that can be taken in order to mitigate the latency impacts?

<ESMA\_QUESTION\_MDA\_30>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_30>

**Q31** : Do you agree that the CT should be operated on an exclusive basis? To what extent should other entities (e.g. APA or data vendors) be allowed to compete with the CTP?

<ESMA\_QUESTION\_MDA\_31>  
Usually it is better to have competition and therefore having an exclusive permission to operate as a CTP is not a desirable solution, unless the license to operate on an exclusive basis is followed by an efficient enforcement of the RCB requirement.  
<ESMA\_QUESTION\_MDA\_31>

**Q32** : Should the contract duration of an appointed CTP be limited? If yes, to how many years?

<ESMA\_QUESTION\_MDA\_32>  
TYPE YOUR TEXT HERE  
<ESMA\_QUESTION\_MDA\_32>

**Q33** : Please indicate what would be, in your view and on the basis of your experience with TVs and data vendors, a fair monthly or annual fee to be charged by a CTP for the real-time consolidation per user?

<ESMA\_QUESTION\_MDA\_33>  
TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_33>

**Q34** : Would you agree with the abovementioned model for the CT to charge for the provision of consolidated data and redistribute part of the revenues to contributing entities? If not please explain.

<ESMA\_QUESTION\_MDA\_34>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_34>

**Q35** : How would Brexit impact the establishment of a CT? Would an EU27 CTP consolidating only EU27 transactions be of added value or would a CT that lacks UK data not be perceived as attractive?

<ESMA\_QUESTION\_MDA\_35>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_35>

**Q36** : In your view, how would an EU27 CT impact the level playing field between the EU27 and the UK? Please explain.

<ESMA\_QUESTION\_MDA\_36>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_MDA\_36>