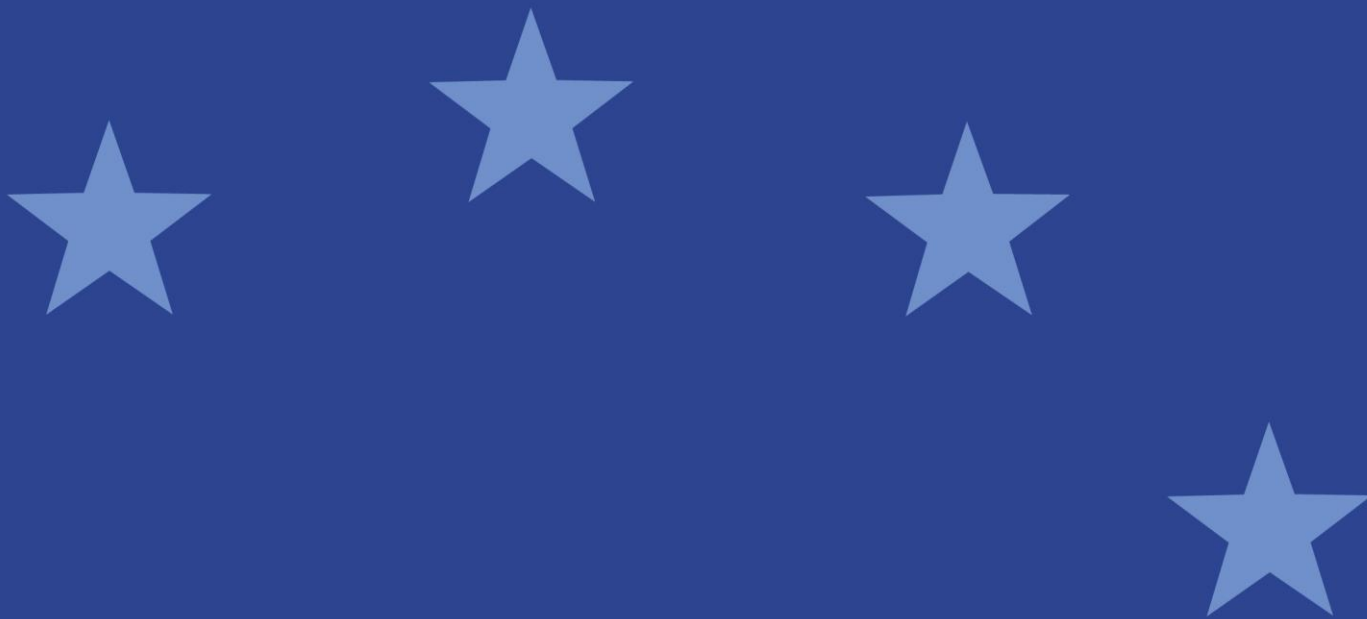


Response form for the Consultation Paper on Review of the MiFID II framework on best execution reports



Responding to this paper

ESMA invites responses to the questions set out throughout this Consultation Paper and summarised in Annex II. Responses are most helpful if they:

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

ESMA will consider all comments received by **Thursday 23th December 2021**.

All contributions should be submitted online at 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 steps below when preparing and submitting their response:

- Insert your responses to the consultation questions in this form.
- Please do not remove tags of the type <ESMA_QUESTION_BEEX_1>. Your response to each question has to be framed by the two tags corresponding to the question.
- 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.
- When you have drafted your response, name your response form according to the following convention: ESMA_BEEX_nameofrespondent_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA_BEEX_ABCD_RESPONSEFORM.
- Upload the form containing your responses, in Word format, to ESMA's website (www.esma.europa.eu under the heading 'Your input – Open consultations' → 'Consultation on Review of the MiFID II framework on best execution reports').

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. If you do not wish for your response to be publicly disclosed, please clearly indicate this by ticking the appropriate box on the website submission page. 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 under the heading '[Data protection](#)'.

Who should read this paper?

This document is of interest to execution venues, investment firms and their associations, investors, consumer associations, as well as any market participant engaged in the execution of orders under the MiFID II framework.

General information about respondent

Name of the company / organisation	Finance Finland (FFI)
Activity	Non-governmental Organisation and Other Associations
Are you representing an association?	<input checked="" type="checkbox"/>
Country/Region	Finland

Introduction

Please make your introductory comments below, if any:

<ESMA_COMMENT_BEEX_1>

FFI will be answering the ESMA consultation on RTS 27 and 28 under MIFID.

Finance Finland (FFI) represents banks, insurers, finance houses, securities dealers, fund management companies and financial employers. Our membership also includes providers of statutory insurance lines, which account for much of Finnish social security.

FFI considers the RTS 27 and RTS 28 reports to provide very little added value to investors. Our members would therefore prefer to **abolish these reporting requirements permanently from the level 1 text.**

<ESMA_COMMENT_BEEX_1>

Q1 : Do you agree with the proposed scope in terms of execution venues for the reporting under a possible new RTS 27?

<ESMA_QUESTION_BEEX_1>

The proposed changes to RTS 27 significantly overlap with the already reported data according to the requirements in RTS2 and RTS22. The proposal to adapt RTS27 in practice means developing new reporting, which would create development and operational costs that are not proportional with the other transparency reporting. Additionally, the transparency regime is also supported by the transparency reporting required daily via APAs (RTS 2 and 22). Hence, we propose that the RTS 27 should be permanently paused. This is supported by the fact that the RTS reports are seldom used, as evidenced by the download history from our members. This is seen to be due to the unsuccessful form and content of the reports.

Our members do not wish expanded reporting. In fact, they would prefer annual rather than quarterly reporting.

In general our members strongly support the publication and transparency from investment firms, but believe that trimming the reporting obligation into just one would be more optimal, especially considering how the RTS27 already overlaps with RTS2 and RTS 22. It is also important to notice that investment firms operating as SI report data as SI (venue) to a large extent and execution quality (RTS28) based on the same raw data. This means that investment firms operating as execution venues have two reporting standards. This is seen as excess administrative burden and not proportional compared to the data already provided.

<ESMA_QUESTION_BEEX_1>

Q2 : Do you agree with the proposed level of granularity by types of financial instruments instead of individual financial instruments under a new potential reporting regime? In particular, do you agree with the two proposed categories concerning shares (i.e., shares considered to have a liquid market and shares not considered to have a liquid market)? If not, please state the reasons for your answer and clarify what alternative categorisations you would propose in order to have a meaningful level of granularity for a new reporting regime.

<ESMA_QUESTION_BEEX_2>

No response

<ESMA_QUESTION_BEEX_2>

Q3 : Do you agree with the proposed metrics to report the execution quality obtained by execution venues?

<ESMA_QUESTION_BEEX_3>

No response

<ESMA_QUESTION_BEEX_3>

Q4 : Have you observed good or bad practices of reporting by execution venues under the current RTS 27 that can be relevant for the elaboration of proposals to enhance access and user-friendliness of this information? Please provide specific examples if possible.

<ESMA_QUESTION_BEEX_4>

The download history of RTS 27 reports shows that they are very seldom used, which indicates that the format and consumption of the data is not working as intended.

<ESMA_QUESTION_BEEX_4>

Q5 : Have you observed good or bad practices of reporting by investment firms under the current RTS 28 that can be relevant for the elaboration of proposals to enhance access and user-friendliness of this information? Please provide specific examples if possible.

<ESMA_QUESTION_BEEX_5>

No response

<ESMA_QUESTION_BEEX_5>

Q6 : Do you agree with the classification for reporting proposed in Annex I of the possible new RTS 28, especially with regard to the suggested methodology for the reporting on equity instruments? If not, what alternative categorisations would you propose?

<ESMA_QUESTION_BEEX_6>

No response

<ESMA_QUESTION_BEEX_6>

Q7 : Do you agree with the proposals for a possible review of RTS 28?

<ESMA_QUESTION_BEEX_7>

Based on the evidence we gathered so far, we do not deem that they provide meaningful information that would justify the effort and resources required to produce them in their current form. We did not observe any significant use by customers, and therefore consider the market relevance of the reports very low. As the UK (FCA) will delete RTS 27/28 (<https://www.fca.org.uk/publication/policy/ps21-20.pdf>), we believe that there will be a serious competitive disadvantage for EU institutions if this obligation is maintained.

Therefore, we support abolishing reporting requirements in RTS 28.

In case the RTS 28 reporting requirements are maintained, some of the wording in RTS 27 should be included in RTS 28 to reassure less complex, yet precise regulation. The focus in that case in RTS 28 should be in allowing assessment of execution quality. In RTS 28, an element of trading volumes insight (new RTS 27, seven metrics) should be added to enable assessment of “venue” capability. This is an interest for execution quality as well. In addition, we fully support delimiting the market maker activity.<ESMA_QUESTION_BEEX_7>

Q8 : Do you agree with the cost benefit analysis as it has been described in Annex II?

<ESMA_QUESTION_BEEX_8>

No response

<ESMA_QUESTION_BEEX_8>

Q9 : Are there any additional comments that you would like to raise and/or information that you would like to provide?

<ESMA_QUESTION_BEEX_9>

No response

<ESMA_QUESTION_BEEX_9>