

Briefing note

ESMA Q&A updates on MiFID II and MiFIR transparency topics (4 January 2019)

ESMA has issued further Q&A updates on [MiFID II and MiFIR transparency topics](#) on 4 January 2019, notably the default LIS and SSTI thresholds for bonds:

Section 4, Non-equity transparency:

In case the large in scale (LIS) and size specific to the instrument (SSTI) thresholds for pre-trade and post-trade transparency for a bond are not published by ESMA or the relevant non-delegating NCA, what would be the applicable thresholds? [Question 15]

When:

- the LIS for pre-trade transparency under Article 9(1)(a) of [MIFIR](#) as further specified in Article 3 of [RTS 2](#);
- the SSTI for pre-trade transparency under Articles 8(4) and 9(1)(b) of MIFIR as further specified in Article 5 of RTS 2;
- the LIS for post-trade transparency under Article 11(1)(a) of MIFIR as further specified in Article 9 of RTS 2;
- the SSTI for post-trade transparency under Article 11(1)(c) of MIFIR as further specified in Article 10 of RTS 2.

for a bond are not published in FITRS or on the ESMA website, **the pre-trade transparency thresholds to be applied are the pre-trade threshold floors specified in Table 2.3 of Annex III in RTS 2** for both the pre-trade and the post-trade transparency LIS and SSTI. **This rule should be applied in all cases when one or more of the four thresholds are not published in [FITRS](#).** The transparency parameters should apply from the day following publication.

See below Table 2.3 of Annex III in RTS 2

Table 2.3

Bonds (all bond types except ETCs and ETNs) - pre-trade and post-trade SSTI and LIS thresholds

Asset class - Bonds (all bond types except ETCs and ETNs)										
Bond Type	Transactions to be considered for the calculation of the thresholds per bond type	Percentiles to be applied for the calculation of the pre-trade and post-trade SSTI and LIS thresholds for each bond type								
		SSTI pre-trade				LIS pre-trade		SSTI post-trade		LIS post-trade
		Trade - percentile		threshold floor		Trade - percentile	threshold floor	Trade - percentile	Trade - percentile	
Sovereign Bond	transactions executed on Sovereign Bonds following the exclusion of transactions as specified in Article 13(10)	S1	S2	S3	S4	EUR 300,000	70	EUR 300,000	80	90
		30	40	50	60					
Other Public Bond	transactions executed on Other Public Bonds following the exclusion of transactions as specified in Article 13(10)	S1	S2	S3	S4	EUR 300,000	70	EUR 300,000	80	90
		30	40	50	60					
Convertible Bond	transactions executed on Convertible Bonds following the exclusion of transactions as specified in Article 13(10)	S1	S2	S3	S4	EUR 200,000	70	EUR 200,000	80	90
		30	40	50	60					
Covered Bond	transactions executed on Covered Bonds following the exclusion of transactions as specified in Article 13(10)	S1	S2	S3	S4	EUR 300,000	70	EUR 300,000	80	90
		30	40	40	40					
Corporate Bond	transactions executed on Corporate Bonds following the exclusion of transactions as specified in Article 13(10)	S1	S2	S3	S4	EUR 200,000	70	EUR 200,000	80	90
		30	40	50	60					
Other Bonds	transactions executed on Other Bonds following the exclusion of transactions as specified in Article 13(10)	S1	S2	S3	S4	EUR 200,000	70	EUR 200,000	80	90
		30	40	50	60					

Source: MiFID II/R, RTS 2 on Transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2017.087.01.0229.01.ENG&toc=OJ:L:2017:087:TOC

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