

Reply form

on the Consultation Paper on the Manual on post-trade transparency



Responding to this paper

ESMA invites comments on all matters in the Consultation Paper and in particular on the specific questions in this reply form. 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 **31 March 2023**.

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:

- Insert your responses to the questions in the Consultation Paper in this reply form.
- Please do not remove tags of the type <ESMA_QUESTION_MPTT_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 responses, save the reply form according to the following convention: ESMA_CP MANUAL post-trade transparency_nameofrespondent.

For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA_CP MANUAL post-trade transparency_ABCD.

- Upload the Word reply form containing your responses to ESMA’s website (**pdf documents will not be considered except for annexes**). 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 close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly 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 under the headings 'Legal notice' and heading '[Data protection](#)'..

1. General information about respondent

Name of the company / organisation	International Swaps and Derivatives Association (ISDA)
Activity	Other Financial service providers
Are you representing an association?	<input checked="" type="checkbox"/>
Country/Region	Europe

2. Questions

Published Q&As moved to the Manual

Q1 Please share any feedback you may have on the additional topics highlighted in section 3.1. Do you believe that other specific technical topics shall be addressed on top of those described in Sections 3.1 and 3.2 above and presented in the rest of this CP.

<ESMA_QUESTION_MPTT_1>

ISIN as a product identifier for OTC derivatives

ISDA maintains that the OTC derivatives ISIN as applied is unsuitable for MIFIR transparency purposes and has undermined the utility of transparency information.

ISDA supports a reform of derivatives product identification in the EU and accordingly would welcome a regulatory approach to product identification based on the CPMI-IOSCO developed Unique Product Identifier (UPI). We encourage regulators and industry participants to collaborate in the design of a 'UPI+' (UPI augmented with a limited number of extra fields to ensure optimal granularity for transparency purposes). This would align the EU's approach on derivatives product identification with CPMI-IOSCO and with the CFTC reporting framework in the US, which has adopted UPI for reporting of derivatives.

It would, also, most-importantly, help to make market transparency more meaningful for users and regulators alike in the EU.

Inter-affiliate transactions

Market participants would benefit from clarification on how to process reporting of inter-affiliate activity as the regulatory definition for exclusions of such transactions is being implemented inconsistently within the industry. Specific guidance on this item would help establish a better understanding and more standardised reporting.

<ESMA_QUESTION_MPTT_1>

CFI code – MiFIR identifier mapping analysis

Q2 Do you agree with ESMA’s proposed amendments to the CFI code – MiFIR identifier mapping?

<ESMA_QUESTION_MPTT_2>

We agree with the proposed amendments

<ESMA_QUESTION_MPTT_2>

Q3 Referring to the section “Distinction among the different bond types”, do you see the need for further clarification to be included, or further refinements to the existing CFI-MiFIR Identifier mapping?

<ESMA_QUESTION_MPTT_3>

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<ESMA_QUESTION_MPTT_3>

Q4 Do you see the need for further clarification to be included, or further refinements to the existing CFI-MiFIR Identifier mapping not presented in the previous answer?

<ESMA_QUESTION_MPTT_4>

Some members have indicated additional details on CFI code – MiFIR ID combinations for codes SE** would be of benefit and assist with consistent interpretation of such codes.

<ESMA_QUESTION_MPTT_4>

Equity - Reporting fields: table 3 of Annex I, RTS 1

Q5 Do you agree with ESMA’s Level 3 guidance for table 3 of Annex I of RTS 1?

<ESMA_QUESTION_MPTT_5>

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<ESMA_QUESTION_MPTT_5>

Non-equity - Reporting fields: table 2 of Annex II, RTS 2

Q6 Do you agree with the guidance provided for bonds? Do you think that it is sufficient? If not, in respect of which field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_6>

We note that question 6 should read “Do you agree with ESMA’s proposal to include the “Number of transactions” field in table 2 of Annex II of RTS 2?”

ISDA members agree with the addition of the field “Number of transactions” with the understanding that is only to be reported voluntarily as it will not be defined within the RTS itself.

Paragraph 41 lists several fields common to all non-equity instruments where ESMA does not consider additional guidance is necessary beyond what is already published in Q&As and other Level 3 guidance. However, we request clarification on whether to populate the Missing Price field when the Price field is populated, or whether the Missing Price field be left blank in that scenario.

<ESMA_QUESTION_MPTT_6>

Bonds

Q7 Do you agree with the guidance provided for bonds? Do you think that it is sufficient? If not, in respect of which field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_7>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_MPTT_7>

SFPs

Q8 Do you agree with the guidance provided for SFPs? Do you think that it is sufficient? If not, in respect of which field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_8>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_MPTT_8>

ETCs and ETNs

Q9 Do you agree with the guidance provided for ETCs and ETNs? Do you think that it is sufficient? If not, in respect of which field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_9>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_MPTT_9>

Interest rate derivatives

Q10 Do you agree with the guidance provided for bond futures, bond forwards and bond options? Do you think that it is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_10>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_MPTT_10>

Q11 Do you agree with the guidance provided for IR futures, FRAs and IR options? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_11>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_MPTT_11>

Q12 Do you agree with the guidance provided for interest rate swaps (IRS), IR, futures and IR swaptions? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_12>

Example 6.5.1.5.1 is of a fixed float Interest Rate Swap with the fixed rate of 2.6% reported as basis points, i.e. “260”. Market convention is however to report the rate as “2.60” with percentage notation, instead of “260” basis points.

Example 6.5.1.5.2 is a float float Interest Rate Swap that refers to “Fixed leg currency: USD”. We assume this is a typo and should refer to “Floating leg 1 currency” (or similar) and refer to “GBP”. “Floating leg currency” would then be change to “Floating leg 2 currency”.

Example 6.5.1.7.1 is of a Swaption with field 7 (‘Quantity’) populated with “1”. However, OTC derivative swaption contracts are traded as notional amount rather than the number of contracts.

We support the introduction of the field ‘Spread’, but caution that the proposed guidance for the Manual for populating the Spread field does not align with the guidance within the Q&A document on MiFIR data reporting (https://www.esma.europa.eu/sites/default/files/library/esma70-1861941480-56_gas_mifir_data_reporting.pdf, Answer 2 within Section 16).

The example 6.5.1.5.2 in the CP of a basis swaps shows the Price field is left blank and the spread is populated in the Spread field. However, the Q&A example shows the spread is populated in the Price field.

Because ‘Spread’ would be a voluntary field, we believe it is possible that submitting entities may follow the Q&A guidance rather than the Manual.

To avoid conflicting guidance, we propose the guidance in the Q&A should be removed.

We appreciate the multiple examples for different instrument types. We believe it would be helpful to also include examples of how the Price is to be populated when the price itself is pending or not applicable.

Such guidance on a pending or not applicable price would be beneficial across all types of products and not only IR products.

<ESMA_QUESTION_MPTT_12>

Q13 Concerning IRS (section 6.5.1.5), do you consider that a second “spread” field for the spread on the second floating leg would be necessary or in the case of swaps with two floating rates there is always one leg with the spread, if any

<ESMA_QUESTION_MPTT_13>

We believe there would be limited value introducing a second “spread” field. For the majority of cases, this value would not need be needed and, as mentioned in the answer to question 12, it

would increase the likelihood of inconsistent reporting due to the potential for conflicting guidance and/or inconsistent interpretation of reporting another voluntary field. Determining leg 1 and leg 2 for purposes of reporting two spreads could lead to further inconsistency.

Therefore, while we support introducing the field “Spread”, we do not believe a second “spread” should be introduced.

<ESMA_QUESTION_MPTT_13>

Q14 Concerning IRS (section 6.5.1.5), do you consider that a second “price” field for the fixed rate of the second leg in the case of fixed-to-fixed swaps even if such contracts have not been identified to be TOTV at this stage?

<ESMA_QUESTION_MPTT_14>

We do not believe adding a second price would add any meaningful transparency and for similar reasons outlined in the answer to Question 13, we do not support a second “price” field to be added.

<ESMA_QUESTION_MPTT_14>

Q15 Concerning Bond forwards (section 6.5.1.1), do you consider that further guidance is needed? If, so please provide concrete examples and proposals.

<ESMA_QUESTION_MPTT_15>

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<ESMA_QUESTION_MPTT_15>

Equity derivatives

Q16 Do you agree with the guidance provided for equity derivatives? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_16>

Several of the subsections for Equity derivatives refer to “Futures and Forwards”, but only examples of Futures are included. We propose examples of Forward trades are also included in the Manual.

<ESMA_QUESTION_MPTT_16>

Q17 For equity derivatives with an index as underlying (sections 6.5.2.3 and 6.5.2.4) how would you populate the price notation filed until the second RTS 2 review? After the second RTS 2 review, would you agree with ESMA’s proposal to define an appropriate code for this field?

<ESMA_QUESTION_MPTT_17>

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<ESMA_QUESTION_MPTT_17>

Credit derivatives

Q18 Do you agree with the guidance provided for credit derivatives (CDS and options on CDSs)? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_18>

Example 6.5.3.1.1 describes the ‘resulting up-front payment made by the buyer is EUR 10,000’ and shows ‘Up-front payment’ (field 22) populated with “-10,000” (a negative amount). The following example – 6.5.3.1.2 – also describes the ‘resulting up-front payment made by the buyer is EUR 10,000’ but shows field 22 populated with “10,000”, i.e. a positive amount.

Presumably the direction reported should be the same in both cases.

<ESMA_QUESTION_MPTT_18>

Q19 Concerning options on Index CDSs and single-name CDSs (section 6.5.3.2), do you consider that further guidance is needed? If, so please provide concrete examples and proposals.

<ESMA_QUESTION_MPTT_19>

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<ESMA_QUESTION_MPTT_19>

FX derivatives

Q20 Do you agree with the guidance provided for FX derivatives (forwards, options and swaps)? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_20>

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<ESMA_QUESTION_MPTT_20>

Commodity derivatives

Q21 Do you agree with the guidance provided for commodity derivatives (futures, options and swaps)? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_21>

Does 'Quantity' (field 7) need to be populated where a firm is submitting a value under 'Quantity in Measurement Units' (field 8)? Or would field 7 be left blank in this scenario?

<ESMA_QUESTION_MPTT_21>

Emission allowances and derivatives thereof

Q22 Do you agree with the guidance provided for emission allowances and derivatives thereof? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_22>

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<ESMA_QUESTION_MPTT_22>

Securitised derivatives

Q23 Do you agree with the guidance provided for securitised derivatives? Do you think that it is sufficient? If not, in respect of which field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_23>
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<ESMA_QUESTION_MPTT_23>

Contract for difference (CFDs) and spread bets

Q24 Do you agree with the guidance provided for CFDs and spread bets? Do you think that the guidance is sufficient? If not, in respect of which contracts and field(s) should be required? Please provide details.

<ESMA_QUESTION_MPTT_24>
Example 6.5.8.1 shows how to populate fields for an Equity CFD, but the trades economic details are not provided as they have been for all other examples in the CP. Please include the trade details for the Equity CFD example.
<ESMA_QUESTION_MPTT_24>

Flags

Q25 Do you believe that further guidance is needed? Is there any specific use case for which you deem it necessary to provide further guidance?

<ESMA_QUESTION_MPTT_25>
While not directly linked to RTS 2 reporting, recent guidance for RTS 22 has indicated RTS 2 flags would be replicated. We request guidance on whether the introduction of the new flag have an impact on RTS 22.
<ESMA_QUESTION_MPTT_25>

Q26 Would you agree with ESMA's proposal to further specify the differences between portfolio transactions and portfolio trades? What are the main differences between a package transaction and a portfolio transaction involving? Please provide details.

<ESMA_QUESTION_MPTT_26>
We agree there is a need to clearly differentiate between portfolio transactions and package transactions as the two overlap. The descriptions provided are welcomed and would benefit with some examples of portfolio and package transactions to directly compare how they are differentiated.
<ESMA_QUESTION_MPTT_26>

