

BRIEFING NOTE

ESMA data systems for MiFID II/MiFIR and MAR

The European Securities and Markets Authority (ESMA), with the application of both the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR) as well as the Market Abuse Regulation (MAR) on 3 January 2018, will operate four major data systems related to the implementation of MiFID II and MAR respectively.

The systems will provide market participants and national authorities with data required under MiFID II and MAR related to data reporting and transparency requirements. These include:

- Financial Instruments Reference Data System (FIRDS);
- Transaction Reporting Exchange Mechanism (TREM);
- Transparency Calculations System (FITRS); and
- Double Volume Cap Mechanism System (DVCAP).

FIRDS - ESMA system to collect financial reference data

[FIRDS](#) implements MAR/ MiFIR provisions which require trading venues and systematic internalisers to report financial reference data. FIRDS will collect and provide reference data of financial instruments traded in Europe. Every day, trading venues and systemic internalisers must provide reference data to the NCAs or, in case of delegation, directly to ESMA.

ESMA will collect the reference data in one database freely available and downloadable on its website. FIRDS is going to be updated daily. Financial reference data are also essential for NCAs to fulfil their market surveillance mandates.

TREM – ESMA system to exchange transaction information among national competent authorities

MiFIR, among others, requires investment firms to report details of transactions executed in

financial instruments to their competent authorities. TREM, already run by ESMA under the previous regulation, will facilitate the exchange of these transaction reports between NCAs pursuant to Article 26(1) of MiFIR. In particular, TREM permits to ensure the NCA of the most relevant market in terms of liquidity for a given financial instrument receives the information about the transaction.

FITRS - ESMA system to provide data on transparency calculations

MiFIR introduces transparency obligations that require the publication of transparency thresholds applicable to each financial instrument. ESMA will receive, either directly from trading venues, Approved Publication Arrangements (APAs) and Consolidated Tape Providers or from NCAs, reference data and/or quantitative data for both equity and non-equity instruments.

FIRDS will support the MiFIR transparency regime by publishing [[hyperlink to the site hosting the data will be included in final version](#)], the applicable transparency calculations for each instrument subject to transparency requirements.

DVCAP – ESMA system to implement Double Volume Cap Mechanism

In order to ensure the use of waivers for pre-trade transparency does not harm price formation, MiFIR introduces a mechanism that caps the amount of trading, in terms of volume, executed under two types of waivers provided for in MiFIR.

To ensure the implementation of the Double Volume Cap regime, ESMA will publish [[hyperlink to the site hosting the data will be included in final version](#)] at the beginning of every month the percentage of trading under the relevant waivers. ESMA will also publish an interim report in the middle of the month in case the previously published reports have identified that the amount of trading under the waivers is approaching any of the two limits specified in MiFIR.