

MEMO# 33966

December 17, 2021

ESMA Consultation on MiFID II Best Execution Reports: ICI Global Response

[33966]

December 17, 2021

TO: Derivatives Markets Advisory Committee
Equity Markets Advisory Committee
Global Advocacy Coordination Advisory Committee
Global EU Capital Markets Union Task Force
Global Operations Advisory Committee
Global Regulated Funds Committee RE: ESMA Consultation on MiFID II Best Execution Reports: ICI Global Response

On 17 December 2020, ICI Global filed its response to the European Securities and Markets Authority's (ESMA) consultation paper ("CP") on the best execution reports that execution venues and investment firms are required to publish under MiFID II.[\[1\]](#)

ICI Global's filed response takes account of member input provided on the draft response.[\[2\]](#) A summary of ICI Global's filed response is below.

ICI Global's Response

In our response to the CP, we underscore our support for the policy objectives of RTS 27/28 reports but do not consider that either the current reporting regime or ESMA's proposed reforms meet these objectives by providing firms and investors with the right information on execution quality. We recommend that the RTS 27 and RTS 28 reporting requirements are deleted and replaced with the following measures:

- A comprehensive and thoughtfully implemented consolidated tape, including comprehensive post-trade data, which is supported by the development of an underlying typology and standardised technical specifications;[\[3\]](#) and
- A new obligation on execution venues to report on their management of any conflicts of interest that potentially impair their ability to provide best execution (e.g., use of internal trading systems to fulfil orders etc.).

We provided our detailed comments on RTS 27 and RTS 28 reports in the remainder of the response.

Next Steps

ESMA will consider the responses it receives to the CP and plans to send proposals to the European Commission, if needed, in the first half of 2022. The European Commission has been asked to submit a report to the European Parliament and the Council by 28 February 2022 on the adequacy of the RTS 27 and RTS 28 rule.

Giles Swan
Director of Global Funds Policy
ICI Global

endnotes

[1] ICI Memorandum No. 33926, RE: ESMA Consultation on MiFID II Best Execution Reports, dated 30 November 2021, *available from* <https://www.ici.org/memo33926>

[2] ICI Memorandum No. 33936, RE: ESMA Consultation on MiFID II Best Execution Reports, dated 6 December 2021, *available from* <https://www.ici.org/memo33936>

[3] ICI Global has provided its detailed recommendations on establishing a consolidated tape in its responses to ESMA and the European Commission, *available at* <https://www.ici.org/files/2021/esmamifid.pdf> and <https://www.ici.org/system/files/attachments/pdf/mifidresponse.pdf>

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.