|  |
| --- |
| Questionnaire on microstructural issues |

Purpose of this survey

This questionnaire aims to gather compliance costs and other costs and benefits stemming from the draft regulatory technical standards (RTS) proposed by ESMA on its Consultation Paper on MiFID II/MiFIR. Therefore the questionnaire should be read alongside this Consultation Paper published on 19/12/2014 and the cost benefit analysis published on 22/12/2014.

The intention of the questionnaire is to gather facts from market participants on the magnitude of the compliance costs involved, the drivers for those costs, as well as any other effects that may be experienced by a particular firm or the industry overall as a direct consequence of ESMA’s RTS, or ESMA’s incremental obligation. Please be as specific as possible, and provide any evidence or explanation that could substantiate the statements made.

We will state in each section the baseline to consider to compute incremental costs (i.e. MIFID II Level 1, MiFID I Level 2 or market practice), as well as the incremental obligation that stems from ESMA’s proposed RTS. There may be areas in which it is difficult to separate the costs attributable to MiFID II Level 1. If that is the case, please indicate that in your responses.

Responding to this survey

This document should be filled out by stakeholders involved in the securities markets and affected by MIFID II provisions and ESMA Regulatory Technical Standards (RTS) – in particular, investment firms, credit institutions performing investment services and activities, data reporting services providers and trading venues. This paper is also important for trade associations and industry bodies, institutional and retail investors and their advisers, and consumer groups, as well as any market participant because the MiFID II and MiFIR requirements seek to implement enhanced provisions to ensure investor protection and the transparency and orderly running of financial markets with potential impacts for anyone engaged in the dealing with or processing of financial instruments.

The European Securities and Markets Authority (ESMA) invites responses to the questions that follow in order to inform the calibration of ESMA’s RTS, and to better understand their implications for the stakeholders affected.

Please note that ESMA will only be able to consider responses received using this survey form and complying with the procedure below.

a)    Instructions

When providing numbers, please make sure those monetary values other than units, are converted to Euros and expressed in thousands, unless it is stated otherwise. If other unit used, please indicate it in your answers.

Please note that, in order to facilitate analysis of the large number of responses expected, ESMA will be using an IT tool that does not allow processing of responses which do not follow the formatting indications described below. Therefore, in responding stakeholders should:

1. send their responses in Word 2010 format (pdf documents will not be considered except for annexes);
2. not remove the content controls (combo boxes and text boxes)
3. not delete the question and leave the text "click here to enter text" in the content controls (combo boxes and text boxes) if you do not have a response to such question.

If you would like to share a specific analysis with us, please send it separately to the email address listed below.

b)    Naming protocol

In order to facilitate the handling of stakeholders responses please save your document using the following format:

ESMA\_MiFID\_II\_SURVEY\_NAMEOFCOMPANY\_NAMEOFDOCUMENT

e.g. if the respondent were ESMA, the name of the reply form would be ESMA\_MiFID\_II\_SURVEY\_ESMA\_REPLYFORM or ESMA\_MiFID\_II\_SURVEY\_ESMA\_ANNEX1

c)    Content of the responses

Responses are most helpful if:

1. contain a clear rationale and explain the calculations behind it, in case a quantitative answer is provided;
2. provide evidence to substantiate the statements made
3. describe any alternatives that ESMA should consider, or mention any consequences not identified.

Given the breadth of issues covered, ESMA expects and encourages respondents to specifically answer those questions relevant to their business, interest and experience. We try to specify in brackets what groups of stakeholders should be affected by each section and /or sets of questions. If you have any questions on how to respond to any of the questions please contact: ESMA\_MIFID\_II\_CBA@esma.europa.eu

d)    Deadline

Responses must reach us by **31 March 2015**.

All contributions should be submitted to ESMA\_MIFID\_II\_CBA@esma.europa.eu

**Confidentiality of responses**

ESMA is subject to the obligation of professional secrecy and Regulation (EC) No 1049/2001 with respect to access to documents as described in Articles 70 and 72 of Regulation (EU) No 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority).

Please note all responses to this questionnaire will be treated as Confidential. ESMA will process the information received and may publish aggregate data only, but not data on individual firms.

**Data protection**

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the headings ‘Legal notice’ and ‘Data protection’.

**Disclaimer**

To facilitate completion of these questionnaires, ESMA has proposed some instructions, definitions and assumptions which respondents should use when providing their answers. We also ask respondents to advise ESMA where they have used different assumptions or definitions. ESMA wishes to highlight that depending on the data and feedback received, the assumptions and definitions provided in these questionnaires may change in the final RTS and are not, at this stage, final.

# General information about respondent

|  |  |
| --- | --- |
| **Name of the company / organisation** | Click here to enter text. |
| **Type of firm:** | Choose an item. |
| **Type of firm (details):** | Click here to enter text. |
| **Revenues (EUR)[[1]](#footnote-1):** | Choose an item. |
| **Number of employees:** | Choose an item. |
| **Gateway to gateway latency (only for TV):** | Choose an item. |

# **Topics covered and instructions**

The following topics are covered on this survey:

1. Direct Electronic Access under Article 17 and 48 MiFID II (draft RTS 13 and 14)
2. Market making under Article 17 and 48 MiFID II (draft RTS 15)
3. Co-location and fee structures (draft RTS 17)
4. Tick Sizes (draft RTS 18)
5. Requirement to maintain records of orders for firms engaging in high-frequency algorithmic trading techniques (draft RTS 34)
6. Other related draft RTS

Please respond to the questions that follow that apply to you. If necessary, break down the costs and benefits per asset class/department of your organisation.

Every section indicates the stakeholders that should reply to that section. Questions range from data collection, selection of options from a drop down menu, which in some cases allows for selection of multiple choices, to qualitative questions that require detail explanation.

# Direct Electronic Access under Article 17 and 48 MiFID II (draft RTS 13 and 14)

Objective and scope of this questionnaire

This questionnaire aims to gather compliance costs and other costs and benefits stemming from the draft regulatory technical standards (RTS) on the organisational requirements for trading venues and investment firms (Level 2) with respect to the provision of Direct Electronic Access (DEA). Therefore, it should be read alongside Section 4.1 and 4.2 of ESMA Consultation Paper published on 12/19/2014 and RTS 13 and 14 in the sections referring to DEA.

The objective of this questionnaire is to identify the main costs associated with the incremental rules related to ESMA’s proposal. Therefore, please focus on costs arising from these draft RTS as opposed to the Level 1 requirements.

Baseline scenarios

ESMA published in 2012 its Guidelines on Systems and Controls in an Automated Trading Environment (Ref. ESMA/2012/122) which already included references to the obligations of trading venues and investment firms with respect to the provision of DEA. The current market practice should hence be the baseline and respondents should only consider incremental costs and benefits stemming from the draft RTS compared to the current framework.

Who should respond?

Key stakeholders: Trading Venues (RMs and MTFs), investment firms, and proprietary traders using algorithmic trading techniques.

Other stakeholders: Fund management companies, end-investors.

1. Are you a Sponsored Access user?

Choose an item.

1. Can you quantify the impact of aligning your structure to the requirements of regular members/participants of a trading venue?

Click here to enter text.

1. Please quantify to the extent possible the costs derived from complying with the draft RTS 13 (organizational requirements of investment firms engaged in algorithmic trading) and draft RTS 14 (organizational requirements of regulated markets, multilateral trading facilities and organized trading facilities) with respect to Direct Electronic Access, by filling out the table below and split up the cost estimate upon the different implementations of DMA and SA, where appropriate. Please explain the drivers for the costs and your calculations and any other market effects (positive and negative) that may arise as a result in the respective cells. Please be as specific as possible in your answers (trading venues and members or participants of trading venues, algo trading and HFT).

Please either indicate your best estimate in monetary terms or provide an estimate choosing among the following intervals: **[Very Low]** when less than 50k, **[Low]** when between 50k-250k, **[Medium low]** when between 250k-1m, **[Medium High]** when between 1m - 5m, **[High]** when between 5m -10m, **[Very high]** when more than 10m.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Proposed legal obligation** | **Please rate the level of resource required to implement and comply with this requirement for your firm** | **a.    IT costs** | **b.    Training costs** | **c.    Staff costs** | **Total costs** |
| **(in thousands of Euros)** | **(in thousands of Euros)** | **(in thousands of Euros)** | **(in thousands of Euros)** |
| **(e.g. data storage costs)** |  |  | **(sum of a+b+c, if not available individually)** |
| **One-off** | **Recurring** | **One-off** | **Recurring** | **One-off** | **Recurring** | **One-off** | **Recurring** |
| **RTS 13 and 14** | Choose an item. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. |
| **Explanation** |  Click here to enter text. |
| **Other indirect costs / market effects (\*)**  |  Click here to enter text. |

(\*) Please include here indirect and opportunity costs such as risk, reputational impact, availability of services, cost of exiting a business, etc. as well as any expected market effects (liquidity, transaction costs, business model, client and revenue composition, etc.) directly arising from ESMA’s RTS. Please do not include costs that are directly attributable to Level 1 (i.e. obligations that appear on Level 1).

1. If you think that there is a key dependence on outside resources in order to comply with these requirements, please describe it here below.

Click here to enter text.

1. Which are the main benefits that you envisage from the incremental obligations proposed by ESMA in the RTS?

Click here to enter text.

# Market making under Article 17 and 48 MiFID II (draft RTS 15)

Objective and scope of this questionnaire

This questionnaire aims to gather compliance costs and other costs and benefits stemming from the draft regulatory technical standards (RTS) on market making strategies, market making agreements and market making schemes (Level 2). Therefore, it should be read alongside Section 4.3 of ESMA Consultation Paper published on 12/19/2014 and RTS 15.

The objective of this questionnaire is to identify the main costs associated with the incremental rules related to ESMA’s proposal. Therefore, please focus on costs arising from these draft RTS as opposed to the Level 1 requirements.

Baseline scenarios

Given the lack of regulatory precedents, current market practice in market making and liquidity provision agreements should be the baseline and respondents should only consider incremental costs and benefits stemming from the draft RTS compared to the current framework.

Who should respond?

Key stakeholders: Trading Venues (RMs and MTFs), investment firms, and proprietary traders using algorithmic trading techniques.

Other stakeholders: Fund management companies, end-investors.

1. Do you run algorithms to pursue what the draft RTS defines as “market making strategies”[[2]](#footnote-2)? Which are the main impacts that you envisage for your activity from the implementation of the draft RTS?

Click here to enter text.

1. Which are the main impacts (positive and negative) that you envisage of the implementation of:
	1. The definition of “exceptional circumstances impeding providing liquidity on a regular and predictable basis”?
	2. Opening to competition the access to market making incentives (i.e. that trading venues cannot limit the number of participants in a market making/liquidity provision scheme even if they can limit the access to those who have a better performance)?

Click here to enter text.

1. Please quantify to the extent possible the costs derived from complying with the draft RTS 15 on market making strategies, market making agreements and market making schemes, by filling out the table below. Please explain the drivers for the costs and your calculations and any other market effects (positive and negative) that may arise as a result in the respective cells. Please be as specific as possible in your answers (trading venues and members or participants of trading venues, algo trading and HFT).

Please either indicate your best estimate in monetary terms or provide an estimate choosing among the following intervals: **[Very Low]** when less than 50k, **[Low]** when between 50k-250k, **[Medium low]** when between 250k-1m, **[Medium High]** when between 1m - 5m, **[High]** when between 5m -10m, **[Very high]** when more than 10m.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Proposed legal obligation** | **Please rate the level of resource required to implement and comply with this requirement for your firm** | **a.    IT costs** | **b.    Training costs** | **c.    Staff costs** | **Total costs** |
| **(in thousands of Euros)** | **(in thousands of Euros)** | **(in thousands of Euros)** | **(in thousands of Euros)** |
| **(e.g. data storage costs)** |  |  | **(sum of a+b+c, if not available individually)** |
| **One-off** | **Recurring** | **One-off** | **Recurring** | **One-off** | **Recurring** | **One-off** | **Recurring** |
| **RTS 15** | Choose an item. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. |
| **Explanation** |  Click here to enter text. |
| **Other indirect costs / market effects (\*)** |  Click here to enter text. |

(\*) Please include here indirect and opportunity costs such as risk, reputational impact, availability of services, cost of exiting a business, etc. as well as any expected market effects (liquidity, transaction costs, business model, client and revenue composition, etc.) directly arising from ESMA’s RTS. Please do not include costs that are directly attributable to Level 1 (i.e. obligations that appear on Level 1).

1. If you think that there is a key dependence on outside resources in order to comply with these requirements, please describe it here below.

Click here to enter text.

1. Which are the main benefits that you envisage from the incremental obligations proposed by ESMA in the RTS?

Click here to enter text.

# Co-location and fee structures (RTS 17)

Objective and scope of this questionnaire

This questionnaire aims to gather compliance costs and other costs and benefits stemming from the draft regulatory technical standards (RTS) on co-location and fee structures (Level 2). Therefore, it should be read alongside Section 4.5 of ESMA Consultation Paper published on 12/19/2014 and draft RTS 17.

The objective of this questionnaire is to identify the main costs associated with the incremental rules related to ESMA’s proposal. Therefore, please focus on costs arising from these draft RTS as opposed to the Level 1 requirements.

Baseline scenarios

Given the lack of regulatory precedents, current market practice in relation to co-location and fee structures should be the baseline and respondents should only consider incremental costs and benefits stemming from the draft RTS compared to the current framework.

Who should respond?

Key stakeholders: Trading Venues (RMs and MTFs), investment firms, and proprietary traders using algorithmic trading techniques.

Other stakeholders: Fund management companies and end-investors.

1. In particular, regarding fee structures and algorithmic trading facilities (Article 6): Do you provide/use algorithm testing facilities?

Choose an item.

1. If yes, which are the main impacts on your business from the implementation of the obligation to test algorithms on a facility provided by a trading venue and the co-relative obligation to pay for the costs incurred in providing such service? Please explain in detail

Click here to enter text.

1. Please quantify to the extent possible the costs derived from complying with the draft RTS 17 on co-location, by filling out the table below. Please explain the drivers for the costs and your calculations and any other market effects (positive and negative) that may arise as a result in the respective cells. In particular, please clarify whether you currently offer co-location and data feed as a joint product. Please be as specific as possible in your answers (trading venues and members or participants of trading venues, algo trading and HFT).

Please either indicate your best estimate in monetary terms or provide an estimate choosing among the following intervals: **[Very Low]** when less than 50k, **[Low]** when between 50k-250k, **[Medium low]** when between 250k-1m, **[Medium High]** when between 1m - 5m, **[High]** when between 5m -10m, **[Very high]** when more than 10m.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Proposed legal obligation** | **Please rate the level of resource required to implement and comply with this requirement for your firm** | **a.    IT costs** | **b.    Training costs** | **c.    Staff costs** | **Total costs** |
| **(in thousands of Euros)** | **(in thousands of Euros)** | **(in thousands of Euros)** | **(in thousands of Euros)** |
| **(e.g. data storage costs)** |  |  | **(sum of a+b+c, if not available individually)** |
| **One-off** | **Recurring** | **One-off** | **Recurring** | **One-off** | **Recurring** | **One-off** | **Recurring** |
| **RTS 17 (co-location)** | Choose an item. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. |
| **Explanation** |  Click here to enter text. |
| **Other indirect costs / market effects (\*)** |  Click here to enter text. |

(\*) Please include here indirect and opportunity costs such as risk, reputational impact, availability of services, cost of exiting a business, etc. as well as any expected market effects (liquidity, transaction costs, business model, client and revenue composition, etc.) directly arising from ESMA’s RTS. Please do not include costs that are directly attributable to Level 1 (i.e. obligations that appear on Level 1).

1. If you think that there is a key dependence on outside resources in order to comply with these requirements, please describe it here below.

Click here to enter text.

1. Please quantify to the extent possible the costs derived from complying with the draft RTS 17 on fee structures, by filling out the table below. Please explain the drivers for the costs and your calculations and any other market effects (positive and negative) that may arise as a result in the respective cells. Please be as specific as possible in your answers (trading venues and members or participants of trading venues, algo trading and HFT).

Please either indicate your best estimate in monetary terms or provide an estimate choosing among the following intervals: **[Very Low]** when less than 50k, **[Low]** when between 50k-250k, **[Medium low]** when between 250k-1m, **[Medium High]** when between 1m - 5m, **[High]** when between 5m -10m, **[Very high]** when more than 10m.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Proposed legal obligation** | **Please rate the level of resource required to implement and comply with this requirement for your firm** | **a.    IT costs** | **b.    Training costs** | **c.    Staff costs** | **Total costs** |
| **(in thousands of Euros)** | **(in thousands of Euros)** | **(in thousands of Euros)** | **(in thousands of Euros)** |
| **(e.g. data storage costs)** |  |  | **(sum of a+b+c, if not available individually)** |
| **One-off** | **Recurring** | **One-off** | **Recurring** | **One-off** | **Recurring** | **One-off** | **Recurring** |
| **RTS 17 (fee structures)** | Choose an item. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. |
| **Explanation** |  Click here to enter text. |
| **Other indirect costs / market effects (\*)** |  Click here to enter text. |

(\*) Please include here indirect and opportunity costs such as risk, reputational impact, availability of services, cost of exiting a business, etc. as well as any expected market effects (liquidity, transaction costs, business model, client and revenue composition, etc.) directly arising from ESMA’s RTS. Please do not include costs that are directly attributable to Level 1 (i.e. obligations that appear on Level 1).

1. If you think that there is a key dependence on outside resources in order to comply with these requirements, please describe it here below.

Click here to enter text.

1. Which are the main benefits that you envisage from the incremental obligations proposed by ESMA in the RTS?

Click here to enter text.

# Tick Sizes (RTS 18)

Objective and scope of this questionnaire

This questionnaire aims to gather compliance costs and other costs and benefits stemming from the draft regulatory technical standards (RTS) on tick sizes (Level 2). Therefore, it should be read alongside Section 4.6 of ESMA Consultation Paper and draft RTS 18 in Annex B published on 12/19/2014.

The objective of this questionnaire is to identify the main costs associated with the incremental rules related to ESMA’s proposal. Therefore, please focus on costs arising from these draft RTS as opposed to the Level 1 requirements.

Baseline scenarios

Trading venues currently use a set of tables published by FESE (in case they trade equity blue chips) or their own tick size table. Therefore, the baseline scenario should be current market practice for equity instruments paying particular attention to the impact of the proposed tables to the different types of instruments that might be affected by the proposed regime (shares, depositary receipts, certificates and ETFs).

Who should respond?

Key stakeholders: Trading Venues (RMs and MTFs), investment firms and proprietary traders using algorithmic trading techniques.

Other stakeholders: Issuers of financial instruments and fund management companies.

1. Please identify the costs for those markets which would not be the most relevant market in terms of liquidity to follow the liquidity band determined by the average number of transactions in the most relevant market in terms of liquidity (trading venues)

Click here to enter text.

1. Which pricing model do you use (i.e. Maker/taker, etc.)? Please describe the expected impact of the proposals on your fees/revenues by type of client, including HFT. Please consider the three different potential definitions of HFT in the technical advice to the Commission (trading venues)

Click here to enter text.

1. How would an increment on the tick size impact your trading pattern/strategy or that of your member’s/participant’s? (please specify if you refer to liquid and/or illiquid instruments)

Click here to enter text.

1. In particular, how would the proposal on tick sizes affect other obligations deriving from MiFID II, such as those related to market making strategies? (Article 17(3) MiFID II).

Click here to enter text.

1. Please quantify to the extent possible the costs derived from complying with the draft RTS 18 on tick sizes, by filling out the table below. Please explain the drivers for the costs and your calculations and any other market effects (positive and negative) that may arise as a result in the respective cells. Please be as specific as possible in your answers (trading venues and members or participants of trading venues, algo trading and HFT).

Please either indicate your best estimate in monetary terms or provide an estimate choosing among the following intervals: **[Very Low]** when less than 50k, **[Low]** when between 50k-250k, **[Medium low]** when between 250k-1m, [**Medium High]** when between 1m - 5m, **[High]** when between 5m -10m, **[Very high]** when more than 10m.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Proposed legal obligation** | **Please rate the level of resource required to implement and comply with this requirement for your firm** | **a.    IT costs** | **b.    Training costs** | **c.    Staff costs** | **Total costs** |
| **(in thousands of Euros)** | **(in thousands of Euros)** | **(in thousands of Euros)** | **(in thousands of Euros)** |
| **(e.g. data storage costs)** |  |  | **(sum of a+b+c, if not available individually)** |
| **One-off** | **Recurring** | **One-off** | **Recurring** | **One-off** | **Recurring** | **One-off** | **Recurring** |
| **RTS 18** | Choose an item. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. |
| **Explanation** |  Click here to enter text. |
| **Other indirect costs / market effects (\*)** |  Click here to enter text. |

(\*) Please include here indirect and opportunity costs such as risk, reputational impact, availability of services, cost of exiting a business, etc. as well as any expected market effects (liquidity, transaction costs, business model, client and revenue composition, etc.) directly arising from ESMA’s RTS. Please do not include costs that are directly attributable to Level 1 (i.e. obligations that appear on Level 1).

1. If you think that there is a key dependence on outside resources in order to comply with these requirements, please describe it here below.

Click here to enter text.

1. Which are the main benefits that you envisage from the incremental obligations proposed by ESMA in the RTS?

Click here to enter text.

1. Please provide any additional research/analysis to support your views regarding the points mentioned above.

Click here to enter text.

# Requirement to maintain records of orders for firms engaging in high-frequency algorithmic trading techniques (RTS 34)

Objective and scope of this questionnaire

This questionnaire should be read alongside Section 8.4 of ESMA Consultation Paper (pages 622-625) and corresponding draft RTS (pages 485-502) published on 12/19/2014. It intends to get an estimate of magnitude of costs, as well as other market effects that could arise from ESMA’s proposed draft RTS on the requirement to maintain records of orders for firms engaging in high-frequency algorithmic trading techniques.

Baseline scenarios

Under Article 17(2) of MiFID II, investment firms that engage in high-frequency algorithmic trading are required to “store in an approved form accurate and time sequenced records of all its placed orders, including cancellations of orders, executed orders and quotations on trading venues and shall make them available to the competent authority upon request”.

Pursuant to Article 17(7)(d) of MiFID II, ESMA is required to draft regulatory technical standards to specify on the one hand, the content and format of the approved form of the records that must be maintained by investment firms engaged in high-frequency algorithmic trading techniques and on the other hand, the length of time for which such records must be kept by those investment firms. The costs to be reflected in this questionnaire should be those related to the technical standards proposed by ESMA and not to the Article 17(2) of MiFID II.

Who should respond?

Key stakeholders: Investment firms that engage in high-frequency trading

Please respond to the questions below in the space provided, indicating the effect that may have on your firm but also on the industry overall, to the best of your knowledge.

1. Are all the order data specified in the RTS currently available in your firm’s systems?

Choose an item.

1. If no, please specify what data are not currently available. What are the main operational/compliance challenges of obtaining these data?

Click here to enter text.

1. Investment firms engaged in high-frequency algorithmic trading techniques should provide, upon request, records of orders in the format specified in the RTS. What are the main operational/compliance challenges of providing the required data upon request in the format specified in the RTS?

Click here to enter text.

1. For how long does your firm currently maintain order data? In case the foreseen record-keeping period of five years is an incremental obligation for your firm, what operational/technical challenges would you need to address?

Click here to enter text.

1. Please indicate in the table below the costs associated with ESMA’s draft Technical Standards (Items 1-3).

Please include an explanation of the calculations performed to achieve the numbers shown and indicate any other impacts that ESMA’s proposals may have on your firm or the market in general. Please indicate as well how the potential negative effects could be mitigated or alternative ways of achieving the same outcome, if available. In terms of compliance costs, ESMA is aware that accurate estimates of implementation and running costs may not yet be available, so in those cases, please either indicate your best estimate in monetary terms or provide an estimate choosing among the following intervals: **[Very Low]** when less than 50k, **[Low]** when between 50k-250k, **[Medium low]** when between 250k-1m, **[Medium High]** when between 1m - 5m, **[High]** when between 5m -10m, **[Very high]** when more than 10m.

**Item 1.** Content of the order records

**Item 2.** Format of the order records

**Item 3.** Record-keeping period

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Proposed legal obligation** | **Please rate the level of resource required to implement and comply with this requirement for your firm** | **a.    IT costs** | **b.    Training costs** | **c.    Staff costs** | **Total costs** |
| **(in thousands of Euros)** | **(in thousands of Euros)** | **(in thousands of Euros)** | **(in thousands of Euros)** |
| **(e.g. data storage costs)** |  |  | **(sum of a+b+c, if not available individually)** |
| **One-off** | **Recurring** | **One-off** | **Recurring** | **One-off** | **Recurring** | **One-off** | **Recurring** |
| **Item 1** | Choose an item. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. |
| **Explanation** |  Click here to enter text. |
| **Other indirect costs / market effects (\*)** |  Click here to enter text. |
| **Item 2** | Choose an item. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. |
| **Explanation** |  Click here to enter text. |
| **Other indirect costs / market effects (\*)** |  Click here to enter text. |
| **Item 3** | Choose an item. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. |
| **Explanation** |  Click here to enter text. |
| **Other indirect costs / market effects (\*)** |  Click here to enter text. |
| **Item 4** | Choose an item. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. | Click here to enter text. |  Click here to enter text. |
| **Explanation** |  Click here to enter text. |
| **Other indirect costs / market effects (\*)** |  Click here to enter text. |

(\*) Please include here indirect and opportunity costs such as risk, reputational impact, availability of services, cost of exiting a business, etc. as well as any expected market effects (liquidity, transaction costs, business model, client and revenue composition, etc.) directly arising from ESMA’s RTS. Please do not include costs that are directly attributable to Level 1 (i.e. obligations that appear on Level 1).

1. If you think that there is a key dependence on outside resources in order to comply with these requirements, please describe it here below.

Click here to enter text.

# Other related RTS, not specifically mentioned on this survey

If there are any related draft RTS to microstructural issues that are not specifically included on any of the surveys sent, which you consider will create significant costs, please indicate the draft RTS, an estimate of the cost, and provide a brief explanation of the drivers for those costs. Please either indicate your best estimate in monetary terms or provide an estimate choosing among the following intervals: **[Very Low]** when less than 50k, **[Low]** when between 50k-250k, **[Medium low]** when between 250k-1m, **[Medium High]** when between 1m - 5m, **[High]** when between 5m -10m, **[Very high]** when more than 10m.

|  |  |  |
| --- | --- | --- |
| **Draft RTS** | **Estimate of compliance costs** | **Explanation of drivers and expected effects (positive and/or negative)(\*)** |
| Click here to enter text. | Choose an item. | Click here to enter text. |
| Click here to enter text. | Choose an item. | Click here to enter text. |
| Click here to enter text. | Choose an item. | Click here to enter text. |

(\*) Please include here as well indirect and opportunity costs such as risk, reputational impact, availability of services, cost of exiting a business, etc. as well as any expected market effects directly arising from ESMA’s draft RTS. Please do not include Level 1 costs.

1. Which are the main benefits that you envisage from the incremental obligations proposed by ESMA in the RTS mentioned above?

Click here to enter text.

1. Please provide any additional research/analysis to support your views regarding the points mentioned above.

Click here to enter text.

1. Optional. This information is relevant for ESMA to segment the responses provided according to the size of the respondent. [↑](#footnote-ref-1)
2. Please follow strictly the definition of “market making strategy” included in Article 17(4), i.e. posting firm, simultaneous two-way quotes of comparable size and at competitive prices relating to one or more financial instruments on a single trading venue or across different trading venues, not at a client’s initiative. [↑](#footnote-ref-2)