

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

CIRCULAR ON MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE ('MiFID II') AND MARKETS IN FINANCIAL INSTRUMENTS REGULATION ('MiFIR')

Transaction Reporting of an Initial Public Offering ('IPO')

Following a number of queries received by the Authority, the latter would like to clarify the following:

Initial Public Offering and other Secondary Offerings or Placings or Debt Issuance

In terms of Article 26(1) of MiFIR, investment firms which execute transactions in financial instruments are required report complete and accurate details of such transactions to the competent authority as quickly as possible, and no later than the close of the following working day.

Furthermore, Article 26(2) of MiFIR states that the reporting obligation applies to financial instruments which are admitted to trading or traded on a trading venue or for which a request for admission to trading has been made. This implies that IPOs for which a request for admission to trading has been made are required to be reported.

Reference is also made to Article 2 of Commission Delegated Regulation 2017/590 (EU) ('RTS 22') which states that, for the purposes of Article 26 of MiFIR, the conclusion of an acquisition or disposal of a financial instrument referred to in Article 26(2) of MiFIR shall constitute a transaction. RTS 22 goes on to define the term acquisition as including, *inter alia*, the purchase of a financial instrument.

Article 2(5) of RTS 22 contains a list of transactions which are not subject to the reporting obligation specified in Article 26 of MiFIR. ESMA has, through its guidelines on transaction reporting, order record keeping and clock synchronisation under MiFID II ([ESMA/2016/1452](#)) (the 'Guidelines'), clarified that initial public offerings are not excluded from the reporting obligation. In this respect, reference is made to paragraph 5.6.2.7 of the ESMA Guidelines, which states that where the activities in Article 2(5) of RTS 22 occur in relation to initial public offerings, secondary public offerings or placings or debt issuance, they should be reported.

In view of the above, the Authority would like to clarify that, in relation to initial public offerings and other secondary offerings or placings or debt issuance, investment firms are required report the transaction in accordance with Article 26 of MiFIR.

For additional details specifically relating to the reporting of initial public offerings, kindly refer to the Q&As published by ESMA on MiFIR Data Reporting ([ESMA70-1861941480-56](#)).

Should you have any queries on the above, please contact the Authority on:

TransactionReporting@mfsa.com.mt

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