

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

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

MiFID II Temporary Period for LEIs to End on the 2 July 2018

1.0 Background

This circular shall be read in conjunction with the [circular](#) issued by the Authority on 21 December 2017 relating to the European Securities and Markets Authority ('ESMA') Statement Supporting the Smooth Implementation of Legal Entity Identifiers ('LEI') Requirements under MiFIR.

Through the abovementioned circular, the Authority made reference to a [statement](#) issued by ESMA on 20 December 2017, whereby it had informed market participants that it was allowing a six-month transitional period to ensure the smooth introduction of LEI requirements.

As of 3 January 2018, reporting firms have to use LEIs to report trades under MiFIR. Nevertheless, a six-month transitional period was introduced due to the fact that not all firms succeeded in obtaining LEIs in time for the coming into force of MiFID II.

2.0 End of Transitional Period

The Authority would like to inform market participants that ESMA has on the 20 June 2018 advised that the temporary six-month period allowing for a smooth introduction of the use of LEIs originally introduced in December 2017, will not be further extended and will cease in July 2018. The decision not to extend the six-month transitional period was due to the fact that ESMA and National Competent Authorities have since observed a significant increase in the LEI coverage for both issuers and clients.

The temporary period will last until the 2 July 2018.

Consequently, as of 3 July 2018 legal entities who do not have an LEI code will be unable to comply with the transaction reporting requirements under MiFIR. Therefore, following the end of the transitional period, legal entities will not be able to trade in financial instruments unless they have obtained an LEI code.

Should you require any clarifications in relation to the requirement to obtain LEIs, please refer to the [circular](#) issued by the Authority on 17 November 2017.

Contacts

Should you have any queries on the above, please do not hesitate to contact the Authority on (TransactionReporting@mfsa.com.mt) for any further clarifications.

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