

1 April 2020

COVID-19: Clarification of issues related to the publication of reports by execution venues and firms as required under RTS 27 and RTS 28

Background

On 31st March 2020, ESMA issued a [public statement](#) in order to clarify issues regarding the publication by execution venues and firms, of the general best execution reports required under RTS 27 and RTS 28 of MiFID II.

ESMA and competent authorities are aware of the difficulties being encountered by execution venues and firms, in preparing these reports due to the COVID-19 pandemic and the related actions taken by the Member States to prevent contagion. In this scenario, ESMA is issuing this [public statement](#) to promote coordinated action by competent authorities in response to these adverse events and provide clarity to execution venues and firms.

MiFID II supported by RTS 27 and RTS 28, introduced reporting requirements aimed at enhancing transparency on Best Execution.

The information published in accordance with RTS 27 is intended to provide the public and firms with relevant data to measure the quality of execution on execution venues.

The information published in accordance with RTS 28 is intended to enable the public and investors to evaluate the quality of a firm's execution practices by requiring publication of valuable information about how and where the firm has executed client orders.

ESMA recognises that, considering the exceptional circumstances created by the COVID-19 outbreak, execution venues and firms may need to deprioritise efforts for the publication of these general reports concerning 2019.

In these circumstances ESMA is extending the reporting deadline as follows:

- i. Execution venues unable to publish RTS 27 reports due by 31 March 2020 may only be able to publish them as soon as reasonably practicable after that date and no later than by the following reporting deadline (i.e. 30 June 2020); and
- ii. Investment firms required to publish the RTS 28 reports due by 30 April 2020 may publish these on or before 30 June 2020.

ESMA recommends investment firms and execution venues to keep records of the internal decisions taken in relation to the expected delay.

ESMA also reminds firms of their core obligations to achieve best execution for clients and to ensure fair order handling and allocations during current market volatility.

Target Audience

The content of this circular (including ESMA's [public statement](#)) is aimed at execution venues and investment firms, including credit institutions providing investment services.

Way Forward

Kindly reach out to offsiteinv@mfsa.mt should you require any clarifications.