

4 October 2021

Consultation on Review of the MiFID II Framework on Best Execution Reports issued by ESMA

Background

On 24 September 2021, the European Securities and Markets Authority (ESMA), the EU's securities markets regulator, launched a [consultation](#) on proposals for improvements to the MiFID II framework on best execution reports. These proposals aim at ensuring effective and consistent regulation and supervision and enhancing investor protection.

ESMA's proposals include technical changes to:

- the reporting obligations for execution venues:
 - aimed at simplifying the reporting requirements by reducing the granularity and volume of data to be reported; and
 - moving to a set of seven indicators aimed at disclosing meaningful information to help firms to assess venues' execution quality; and
- the reporting requirements for firms: focusing mainly on clarifying the requirements for firms that transmit client orders or decisions to deal to third parties for execution.

In addition, the document contains proposal amendments to the relevant provisions of the MiFID II legislative framework to enable these technical changes to come into effect in the future.

Target Audience

The content of this circular (including ESMA's [consultation paper](#)) is aimed at execution venues, investment firms and their associations, investors, consumer associations, as well as any market participant engaged in the execution of orders under the MiFID II framework

Deadline for Response

ESMA invites stakeholders to include their comments on the provided response form accessed by clicking this [link](#).

ESMA invites comments on all matters in the consultation paper.

ESMA requests that comments are most helpful if stakeholders:

- respond to the question stated;
- indicate the specific question to which the comment relates;
- include a clear rationale; and
- describe any alternatives ESMA should consider.

Stakeholders are invited to provide their responses by **23 December 2021**.

Next Steps

ESMA will consider the responses it receives to this consultation paper in Q4 2021 and plans to send proposals to the European Commission, if needed, in the first half of 2022.

Way Forward

Since ESMA's technical proposals can only be implemented after the relevant provisions of MiFID II have been amended, the outcome of this consultation will not lead to any immediate change of the existing RTSs 27 and 28 which currently regulate best execution reporting by execution venues and investment firms.