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The AMF draws up a first assessment of bond market transparency introduced by MiFID2

More than two years after MiFID II came into force, the AMF has decided to assess the bond market transparency measures introduced by the new legislation and particularly the conditions for access to and use of post-trade transparency data by market participants.

Since January 3, 2018, post-trade transparency measures have been extended, beyond equity, to equity-like instruments (such as exchange traded funds or certificates) but also to other instruments, including bonds. This information, including volumes, prices and time of the transactions, is to be published whether the transactions take place on a trading platform or whether they are carried out over-the-counter, within prescribed deadlines and via approved publication arrangements.

As part of its remit to monitor the proper functioning of markets and at a time when the European Commission has undertaken technical reform of the MiFID2 regulatory framework, the French regulator has decided to examine the impacts of post-trade transparency on the bond market. This analysis, carried out on the scope of debt securities issued by French companies, reveals that the transparency of transactions is currently insufficiently accessible, reliable and exhaustive and hence does not enable investors to make effective use of it.

Indeed, this transparency is derived from many different sources: a dozen platforms, to which are added numerous APAs ("approved publication arrangements") for transactions carried out over-the-counter. However data vendors do not currently consolidate the full



range of available data sources. Depending on the means at their disposal, participants therefore do not always have an complete view of the market. Furthermore, market participants still find it difficult to access data since some trading venues and data reporting services still do not meet all the criteria defined by ESMA in terms of accessibility.

The AMF also notes that there is data that is currently of questionable quality and potentially non-exhaustive. For example, the ratio of overlap between transparency data and reporting to the regulator is estimated to be between 25% and 45% in terms of volumes traded, a particularly low level which would not appear to be fully explained by differences in reporting rules.

The AMF confirms that it is committed to ensuring that transparency in bond markets is properly implemented. It will continue to work on improving the quality of reporting, both in terms of post-trade transparency and transaction reporting to the regulator and to bolster compliance with level 3 measures by platforms and APAs with respect to access to data. In this regard, the AMF is promoting international coordination with the other European regulators. Finally, the AMF supports the introduction of a single consolidated tape in Europe, a measure eagerly awaited by the market.

About the AMF

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The AMF also supervises the orderly operations of markets. Visit our website

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Overview of Bond Market Transparency under MiFID 2 (available in French only. An English version will be published shortly)

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