

Reply form: MiFIR Review CP 4

**on transparency for derivatives, package orders and input/output for
the derivatives consolidated tape**

Responding to this paper

ESMA invites comments on all matters in the Consultation Paper and in particular on the specific questions in this reply form. Comments are most helpful if they:

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

ESMA will consider all comments received by **3 July 2025**.

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

- Insert your responses to the questions in the Consultation Paper in this reply form.
- Please do not remove tags of the type <ESMA_QUESTION_DERI_1>. Your response to each question has to be framed by the two tags corresponding to the question.
- If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
- When you have drafted your responses, save the reply form according to the following convention: ESMA_CP1_nameofrespondent.

For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA_CP1_ABCD.

- Upload the Word reply form containing your responses to ESMA’s website (**pdf documents will not be considered except for annexes**). All contributions should be submitted online at www.esma.europa.eu under the heading ‘Your input - Consultations’.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the headings 'Legal notice' and heading '[Data protection](#)'..

1. General information about respondent

Name of the company / organisation	Cboe Europe B.V. ('CEBV')
Activity	Regulated markets/Exchanges/Trading Systems
Are you representing an association?	<input type="checkbox"/>
Country/Region	Netherlands

2. Questions

Q1 Do you agree with the proposals regarding pre-trade transparency?

<ESMA_QUESTION_DERI_1>

CEBV considered ESMA's pre-trade transparency suggestions regarding the definitions of central limit order book and periodic auctions trading systems, the liquidity determination for the illiquid waiver and the new approach for the large in scale waiver.

CEBV supports ESMA's objective to enhance transparency for exchange traded derivatives, especially for equity options which currently has an OTC style block market which lacks pre-trade transparency.

CEBV supports ESMA's preference for static thresholds over dynamic ones provided that these thresholds are calibrated at levels which are high enough to promote pre-trade transparency and order book liquidity.

LIS threshold values appear to be very low, well below the minimum block trade sizes set by exchanges. They therefore have minimal impact on transparency, as order book liquidity is already shifting away from the central limit order book (CLOB). The largest incumbent in the single stock options market holds approximately 58% market share, and its order book share has declined from 40% in 2021 to 33% in 2025. Based on this, we believe the floor for the minimum LIS threshold needs to be set higher. Accordingly, the LIS framework should be adopted in a way that sets the threshold at a level where on-book liquidity is preserved. To assess this further, an analysis was conducted on 50 of the most liquid single stock option underlyings based on ESMA data. The methodology involved calculating daily notional trading volumes in EUR and comparing them to the respective pre-trade LIS thresholds to derive a LIS ratio-to-average daily notional volume. The results showed an average of 4.96% ratio, which remains very low across most underlyings, suggesting that LIS thresholds are already conservatively set. In this context, raising LIS thresholds could help support liquidity, transparency and overall order book quality.

Furthermore, an analysis has been performed into the effects of the new LIS transparency threshold introduced on 2 June 2025 which required trading venues to adjust their minimum block trade thresholds accordingly. Our key finding is that for most single stock options, the LIS threshold led to a reduction in minimum block trade thresholds. Lower block trade size thresholds mean that more trades will now qualify as block trades. We conclude that the market impact of the reduction of the LIS thresholds are likely to shift even more liquidity off-book. This trend will negatively affect transparency and hinder market quality in the European derivatives market.

CEBV opposes the proposed T+1 and T+2 deferrals for exchange traded derivatives, because industry practices require only end-of-day deferrals which provides greater transparency.

CEBV's data-driven analysis demonstrates that while we support ESMA's objective to enhance transparency in equity derivatives markets, the proposed reduction of LIS thresholds may inadvertently undermine market quality.

CEBV therefore recommends that ESMA:

- Maintain appropriately calibrated static thresholds;
- Set static thresholds at a sufficiently high level to preserve on-book liquidity;
- Reject the proposed t+1 and t+2 deferral extensions to maintain end-of-day transparency standards; and
- Assess the cumulative regulatory impact on market structure and liquidity distribution.

Our analysis underscores that effective transparency regulation must balance disclosure requirements with the preservation of healthy order book dynamics essential for a robust European derivatives marketplace.

<ESMA_QUESTION_DERI_1>

Q2 Do you agree with the proposed amendments to Table 2 (fields) and Table 3 (flags) of Annex II of RTS 2? Please explain.

<ESMA_QUESTION_DERI_2>

CEBV supports the proposed amendments to Table 2 (fields) and Table 3 (flags) within Annex II of RTS 2. We recognize these modifications as constructive enhancements to market transparency frameworks.

The implementation of the proposed requirements will necessitate technical development and operational adjustments. Accordingly, CEBV supports adequate implementation timelines to ensure compliant and effective deployment of these enhanced transparency measures.

<ESMA_QUESTION_DERI_2>

Q3 Do you agree not to change the concept of “as close to real-time as technically possible”? If not, what would be in your view the maximum permissible delay?

<ESMA_QUESTION_DERI_3>

CEBV endorses the retention of the "as close to real-time as technically possible" standard, as this framework preserves the integrity of post-trade transparency.

<ESMA_QUESTION_DERI_3>

Q4 Do you agree with the general approach described above?

<ESMA_QUESTION_DERI_4>

CEBV has considered the general approach described by ESMA and will address each point individually:

- **Static determination of liquidity for derivatives:**

CEBV is supportive of static determination of liquidity. This static threshold could become obsolete. CEBV encourages ESMA to consider periodic calculations to reset static thresholds to fit the realities of the derivatives market.

Thresholds should not be too restrictive in the sense that actual liquid products would be deemed illiquid. We emphasize the fundamental distinction between liquidity (the ease with which investors can buy and sell financial instruments without significant price impact) and traded volume. Long-term stock index options may have low traded volumes, but they are liquid. The reason for their superior liquidity profiles compared to long-term single stock options is the greater predictability of underlying stock index option parameters compared to equity options parameters.

We believe that stock index futures with time to maturity up to 1 year should be considered liquid where the Consultation Paper suggests a time to maturity up to 3 months.

We believe that stock index options with time to maturity up to 3 years should be considered liquid where the Consultation Paper suggests a time to maturity up to 6 months.

The liquidity dynamics of stock index futures are primarily driven by front-month contracts and spread relationships, rendering volume-based metrics insufficient for accurate liquidity assessment. This structural characteristic of stock index derivatives necessitates a more nuanced approach to liquidity determination.

- **Definition of all necessary parameters of the transparency regime in RTS23:**

CEBV supports the change to define all necessary parameters of the transparency regime in RTS 23.

- **Removal of the reporting of transparency data to FITRS:**

CEBV supports discontinuation of reporting of transparency data to FITRS.

<ESMA_QUESTION_DERI_4>

Q5 Which option do you prefer for the liquidity assessment for equity exchange-traded derivatives, option A, option B, option C or another alternative?

<ESMA_QUESTION_DERI_5>

CEBV supports an alternative option inspired of Option B, with the important caveat that traded volume should not be conflated with market liquidity.

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The liquidity dynamics of stock index futures are primarily driven by front-month contracts and spread relationships, rendering volume-based metrics insufficient for accurate liquidity assessment. This structural characteristic of stock index derivatives necessitates a more nuanced approach to liquidity determination.

CEBV respectfully urges ESMA to reconsider these thresholds, incorporating the fundamental distinction between traded volume and liquidity to ensure that the regulatory framework accurately reflect market realities and support efficient price discovery mechanisms.

<ESMA_QUESTION_DERI_5>

Q6 Which option do you prefer for the liquidity assessment for interest rate exchange-traded derivatives, Option A, Option B or another alternative?

<ESMA_QUESTION_DERI_6>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_DERI_6>

Q7 Do you agree with the liquidity assessment for commodity and emission allowances exchange traded derivatives?

<ESMA_QUESTION_DERI_7>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_DERI_7>

Q8 Do you agree with the liquidity assessment for the following ETD asset classes: FX, Credit, securitised derivatives and other derivatives?

<ESMA_QUESTION_DERI_8>

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<ESMA_QUESTION_DERI_8>

Q9 Regarding the size thresholds for the deferral regime of Equity exchange traded derivatives, which option do you prefer?

<ESMA_QUESTION_DERI_9>

CEBV prefers Option A as it is the most realistic option. However, we would like to reiterate our position on maturity levels as per Question 5.

We emphasize the fundamental distinction between liquidity (the ease with which investors can buy and sell financial instruments without significant price impact) and traded volume. Long-term stock index options may have low traded volumes, but they are liquid. The reason for their superior liquidity profiles compared to long-term single stock options is the greater predictability of underlying stock index option parameters compared to equity options parameters.

We believe that stock index futures with time to maturity up to 1 year should be considered liquid where the Consultation Paper suggests a time to maturity up to 3 months.

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The liquidity dynamics of stock index futures are primarily driven by front-month contracts and spread relationships, rendering volume-based metrics insufficient for accurate liquidity assessment. This structural characteristic of stock index derivatives necessitates a more nuanced approach to liquidity determination.

CEBV respectfully urges ESMA to reconsider these thresholds, incorporating the fundamental distinction between traded volume and liquidity to ensure that the regulatory framework accurately reflect market realities and support efficient price discovery mechanisms.

<ESMA_QUESTION_DERI_9>

Q10 What is your view on the size thresholds for the deferral regime of Interest rate exchange traded derivatives?

<ESMA_QUESTION_DERI_10>

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<ESMA_QUESTION_DERI_10>

Q11 What is your view on the size thresholds for the deferral regime of commodity and emission allowances exchange traded derivatives?

<ESMA_QUESTION_DERI_11>

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<ESMA_QUESTION_DERI_11>

Q12 Do you agree with the size thresholds for the deferral regime of the following ETD asset classes: FX, Credit, securitised derivatives and other derivatives?

<ESMA_QUESTION_DERI_12>

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<ESMA_QUESTION_DERI_12>

Q13 Do you agree with the proposed liquidity assessment for OTC interest rate derivatives? Should you support a different assessment for spot-starting and forward-starting interest rate derivatives, please support your response with a data analysis.

<ESMA_QUESTION_DERI_13>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_DERI_13>

Q14 Do you agree with the proposed liquidity assessment for OTC single-name credit derivatives?

<ESMA_QUESTION_DERI_14>

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<ESMA_QUESTION_DERI_14>

Q15 Do you agree with the proposed liquidity assessment for OTC index credit derivatives?

<ESMA_QUESTION_DERI_15>

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<ESMA_QUESTION_DERI_15>

Q16 Do you agree with the proposed deferral framework for OTC interest rate derivatives?

<ESMA_QUESTION_DERI_16>

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<ESMA_QUESTION_DERI_16>

Q17 Do you agree with the proposed deferral framework for OTC single-name CDSs?

<ESMA_QUESTION_DERI_17>

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<ESMA_QUESTION_DERI_17>

Q18 Do you agree with the proposed deferral framework for OTC index CDSs?

<ESMA_QUESTION_DERI_18>

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<ESMA_QUESTION_DERI_18>

Q19 Do you have suggestions on the way to implement the volume masking in the post-trade reports, including the application of flags?

<ESMA_QUESTION_DERI_19>

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<ESMA_QUESTION_DERI_19>

Q20 Do you agree with the proposed amendments to Articles 14 and 15 of RTS 2?
Please explain.

<ESMA_QUESTION_DERI_20>

<ESMA_QUESTION_DERI_20>

Q21 Do you agree with the proposed amendments to CDR 2017/2194, the RTS on package orders? Please explain.

<ESMA_QUESTION_DERI_21>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_DERI_21>

Q22 Do you agree with the proposals on regulatory data for OTC derivatives? Please distinguish in your reply between regulatory data per instrument vs. regulatory data per system matching order.

<ESMA_QUESTION_DERI_22>

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<ESMA_QUESTION_DERI_22>

Q23 Do you agree with the proposals on core market data for OTC derivatives?

<ESMA_QUESTION_DERI_23>

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<ESMA_QUESTION_DERI_23>