

PUBLIC STATEMENT

ESMA's Data Operational Plan following the end of the UK transition period on 31 December 2020

The European Securities and Markets Authority (ESMA) is issuing this statement in relation to the impact on ESMA's IT systems and databases of the end of the UK transition period on 31 December 2020.

This statement complements the statement on the use of UK data in ESMA's databases and performance of MiFID II calculations after the end of the transition period on 31 December 2020, and provides further details related to the operational use of ESMA's IT systems during the period following the end of the transition period on 31 December 2020.

Following the end of the transition period on 31 December 2020, the submission of UK data to ESMA will cease, starting from 1 January 2021, as EU law will no longer apply to, and in the UK. Consequently, ESMA is currently preparing its IT systems and databases to continue functioning for the EU27, without UK data.

ESMA will perform several actions from 31 December 2020, some of which may have a direct or indirect impact on external stakeholders that exchange data with ESMA. The purpose of this document is therefore to provide information and instructions, where needed, to market participants on operations just after 31 December 2020.

This statement covers the actions related to the following systems:

- Financial Instruments Reference Data System (FIRDS);
- Financial Instrument Transparency System (FITRS);
- Double Volume Cap System (DVCAP);
- Transaction reporting systems; and
- ESMA's registers and data.

Finally, this statement also sets out ESMA's further communication plan to external stakeholders.

In order to facilitate reading of this document, ESMA highlighted in 'grey' boxes the actions that market participants interacting with ESMA's IT systems need to take.

1 Financial Instruments Reference Data System (FIRDS)

Maintenance window

The work is planned to be performed during a maintenance window starting from Thursday 31 December 2020 21:30 CET until Thursday 7 January 2021 12:00 CET (noon) for the Financial Instruments Reference Data System (FIRDS). This system will be taken out of service and will not produce any set of files during the maintenance window. Should ESMA complete the planned operations earlier than 7 January 2021, ESMA will inform its stakeholders and reopen its FIRDS system earlier so that to minimize the downtime.

Action: Market Participants should monitor from 5 January 2021 potential publication of FIRDS data by ESMA.

Despite efforts from ESMA to mitigate potential side effects during the implementation work, there is a risk that technical issues may occur that could render the IT systems unavailable for a longer period than initially planned. However, ESMA will do its utmost to minimise the downtime of its systems and does not expect it to last longer than five working days following 31 December 2020.

Submission and processing of files

ESMA will stop the FIRDS file processing for new incoming files submitted by the National Competent Authorities (NCAs) and market participants after 31 December 2020 21:30 CET. ESMA will continue receiving files but will not produce feedback files.

Action: Reporting entities should continue sending DATINS reference data files to ESMA and their NCAs during the maintenance window.

Given that no feedback files will be produced during the period, reporting entities should prevent their systems to resubmit data during the maintenance window in case of non-reception of feedback files.

The backlog of DATINS files received during the maintenance window will be processed after the first full files/delta files/invalid record files are produced. Hence, only the latest record for each (ISIN, MIC) will be included in the next publication of full files/delta files/invalid record files.

It should be noted that depending on the number of files accumulated during the maintenance window, some delays may be experienced in the processing of files after the maintenance window.

Processing reference data files published by FIRDS on the first day of publication after Brexit

ESMA will perform the following actions during the maintenance window:

- Terminating all (ISIN, MIC) records for trading venues which are under the UK jurisdiction;
- Changing the relevant competent authority (RCA) and relevant MIC (RCA-MIC) from GB to an EU27 country for all those ISINs which had GB as RCA and which will continue to be traded in the EU27, and their derivatives;
- Applying the RCA reassessment for all equity instruments and their derivatives, based on turnover and excluding volumes on UK markets;
- Following these actions, ESMA will resume normal operations of the IT system and publish the reference data in full files/delta files.

On the first day of publication following the maintenance window¹, delta files will contain information regarding:

¹ Planned for Tuesday 5 November 2019.

- Termination of all UK financial instruments: active (ISIN, MIC) records for MICs in the UK will be terminated and the termination date will be set to 31 December 2020 at 22:59:59 UTC;
- Update of RCA for all instruments which previously had GB as RCA and which will continue to be traded in the EU27, and their derivatives;
- Update of RCA, as a result of yearly RCA reassessment for equities and their derivatives.

On the first day of publication following the maintenance window, the full files produced by ESMA will contain information on all instruments which are still active on EU27 trading venues, along with their latest description and latest RCA information.

Action: Market participants need to process those files in accordance with their systems' implementation to capture all the above-mentioned changes.

2 FITRS Transparency System (FITRS)

A maintenance window starting from Thursday 31 December 2020 21:30 CET until 11 January 2021 12:00 CET (noon) is planned for the FITRS Transparency System (FITRS). Should ESMA complete the planned operations earlier than 11 January 2021, ESMA will inform its stakeholders and reopen its FITRS system earlier so that to minimize the downtime.

Action: Market Participants should monitor from 7 January 2021 potential publication of FITRS data by ESMA.

During the maintenance window, the FITRS system will stop processing incoming files as well as the creation of transparency calculation results. The system will however continue receiving files and their processing will be delayed until the end of the maintenance window.

Action: Reporting entities should continue reporting transparency data during the maintenance window.

Given that no feedback files will be produced during the period, reporting entities should prevent their systems to resubmit data during the maintenance window in case of non-reception of feedback files.

It should be noted that depending on the number of files accumulated during the maintenance window, some delays may be experienced in their processing after the maintenance window.

During the maintenance window, ESMA will prepare and publish updated transparency calculation results for equity instruments which have a UK venue as most relevant market, selecting a most relevant market within the EU, and adjusting the ADNT on the most relevant market for relevant ISINs. ESMA will also synchronize the FITRS system with FIRDS so that to use the latest RCA and RCA-MIC information.

Action: During the maintenance window, market participants should use the latest available transparency calculation results published by ESMA prior to the maintenance window. At the end of the maintenance window, market participants should use the updated transparency calculation results published by ESMA .

It should be noted that the publication of updated equity calculation results at the end of the maintenance window will also rely on complete and accurate reporting of transparency reference data for instruments traded on EU trading venues, so that the relevant instruments remain identified as equity instruments after the Brexit operations and the change of RCA and RCA-MIC.

Action: Reporting entities should make sure to have reported complete and accurate transparency reference data, so that the relevant instruments traded on their venues continue to be identified as equity instruments after the Brexit operations and the change of RCA and RCA-MIC.

ESMA may contact the relevant entities to sort out data quality issues if needed, during or after the maintenance window.

ESMA will not perform the calculations for the quarterly Systematic Internaliser determination for equity instruments, bonds, and classes of derivatives, and for the quarterly liquidity determination for bonds scheduled for 1 February 2021, ESMA will resume both calculations for the next regular publication for 1 May 2021. ESMA will resume performance of the liquidity assessment for new bonds after the end of the maintenance window.

Action: Market participants should use the latest transparency calculation results published by ESMA until the next regular calculations are published. If one or more transparency parameters are missing, market participants should rely on ESMA guidance issued under the Q&As on MiFID II and MiFIR transparency topics and market structures topics.

The latest bond quarterly liquidity assessment published by the system before the maintenance window will apply until 15 February 2021 only. Apart from new bonds assessed as liquid, all bonds should be considered illiquid during the period 16 February 2021 – 15 May 2021.

Investment firms are not expected to perform by 15 February 2021 an SI test based on SI calculations for the reporting period July – December 2020, since ESMA will exceptionally not publish them on 1 February 2021.

3 Double Volume Cap System (DVCAP)

During the maintenance windows for FIRDS and FITRS, the DVCAP system will stop processing incoming files, starting from Thursday 31 December 2020 21:30 CET until 11 January 2021 12:00 CET (noon). The system will however continue receiving files and their processing will be delayed until the end of the maintenance window. Should ESMA complete the planned operations earlier than 11 January 2021, ESMA will inform its stakeholders and reopen the DVCAP file processing earlier so that to minimize the downtime.

No Double Volume Cap calculations will be performed by ESMA in January and February 2021.

Action: Reporting entities should continue reporting data during the maintenance window.

Given that no feedback files will be produced during this period, reporting entities should prevent their systems to resubmit data during the maintenance window in case of non-reception of feedback files.

4 Transaction reporting systems

Due to the actions performed on the FIRDS system, ESMA expects that the delivery of updated reference data after the end of the transition period will be delayed. Nevertheless, reporting entities (i.e. investment firms) shall continue reporting transaction data to the respective NCA during the FIRDS maintenance window. Due to the unavailability of up-to-date reference data to validate the received transaction reports, NCAs shall continue using the latest available reference data from before 31 December 2020 as per paragraph 25 of [Technical Reporting Instructions for MiFIR Transaction Reporting](#).

This could result in incomplete reference data available to NCAs for the validation of transaction data, e.g. new instruments admitted to trading after 31 December 2020 would be

unavailable in the reference data until the publication of the new reference data files. In that case, NCAs will follow the already established process and assign status “Pending” to transactions for which reference data is missing. This status can be assigned to transactions for up to seven days.

Action: Reporting entities shall continue reporting transaction data to the relevant NCAs.

5 ESMA’s registers and data

ESMA will adjust the contents of its registers and data, including publications supported by IT systems or published through files like Excel, PDF or contained on an ESMA webpage. ESMA will mainly concentrate its actions in either removing from publication the UK provided records or highlighting them as no longer applicable. Relevant clarifications and disclaimers will be made available as appropriate.

Authorised/Registered Entities Register

This register publishes the list of authorised or registered management companies, investment firms, alternative investment fund managers, regulated markets, multilateral trading facilities, SME Growth Markets, organised trading facilities, systematic internalisers and data reporting services providers authorised by the national competent authorities of the Member States.

For all UK data submitted before Brexit, the authorisation end date will be set to 31 December 2020. Due to different legal requirements for different types of entities, the impact of the update will be that the register will no longer display UK Systematic Internalisers (SIs), trading venues (Regulated Markets, MTFs, and OTFs), whereas for UK investment firms and data reporting services providers (DRSPs) the register will continue to display those entities with an authorisation end date of 31 December 2020.

Short-Selling Exempted Shares Register

The content of the register will remain unchanged until the reported exemptions are verified by the new RCA of the instrument (i.e. the exemptions for the UK instruments will continue to be published). The full update of the register will require the update of its content by NCAs and is scheduled to be finalised by March 2021, although partial updates might be published in advance.



Prospectus Register

The prospectuses issued by UK entities will be assigned with a status equal to cancelled. The IT system will automatically withdraw all prospectuses with this status from the Prospectus register on the ESMA website.

Benchmarks Register

UK benchmark administrators and third country benchmarks recognised in the UK will be removed from publication.

EU supervised entities using benchmarks provided by administrators located in the UK will be able to continue using these benchmarks until the end of the Benchmarks regulation transitional provision for third country administrators set at 31 December 2021.

Money Market Funds register (MMF04)

The validity end date of UK fund managers and funds, if any, will be set to 31 December 2020.

Securitisation (STS notification portal)

ESMA will update the compliance status of the UK records.

6 Communication to external stakeholders

ESMA has prepared its IT systems so that all actions in this statement can be either executed during the maintenance window or at a later date.

ESMA will issue a communication beginning of December 2020, as a reminder of the maintenance window and the Brexit actions.

Upon the completion of the individual items indicated in this statement, ESMA will communicate that the IT systems are operational again, following the successful conclusion of the planned actions.

Should the implementation of the Brexit actions not be completed within the planned time frames set out above, and more time would be required, then ESMA will inform external stakeholders of the situation and give a new estimated time for completion.