

## FOR IMMEDIATE RELEASE

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### New rules establishing EU consolidated tape will boost capital markets, but could still go further

Today's European Parliament vote concludes the MiFID/R review process

The European asset management industry regards the proposed reforms as critical to improving transparency in EU capital markets and reducing the effects of market fragmentation. It establishes conditions for a meaningful and reasonably priced consolidated tape, includes provisions to strengthen the Reasonable Commercial Basis principle for data provision, and supports market transparency by promoting a diversity of trading options and an appropriate balance between transparency and liquidity. We believe the whole package will strengthen cross-border investments in the EU, and position our capital markets as globally competitive.

The **consolidated tape for equities** is well positioned to succeed given that the legislation includes mandatory contribution from trading venues, a single consolidator model (as opposed to competing CT providers) and delivery of data in real-time. We understand why smaller markets felt it was necessary to benefit from an opt-in option but we sincerely hope that they will recognize the value of showcasing their data on the tape and will choose to contribute.

The pricing of the tape will also be a key determinant of its success in a market for data that lacks price competition, and where we observe a general decline of interest in European equities. Strengthening the **Reasonable Commercial Basis** (RCB) for data provision will mitigate against that. The co-legislators have improved the enforceability of the RCB principle through the updated definition of RCB, conversion of market data guidelines into legal obligations, and recognition of market data as a by-product of trading. The review clause allowing ESMA to reassess related technical standards as a function of developments in market data costs is also essential.

Initially, pre-trade equities and ETF data will be limited to 'top of book', without **venue attribution**. We hope that, thanks to the review clause, the pre-trade tape will be expanded to include venue attribution and 5 layers of best bids and offers. This is the type of data that market participants have consistently called for and signalled that they are willing to pay for.

**Tanguy van de Werve, Director General at EFAMA, commented:** "With the legislative review now behind us, we look forward to a healthy contest to choose the best providers for the bond and equities tapes.

Consolidated European data in the two asset classes has long been lacking and will fill a major need for both domestic and foreign investors.”

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**Note to editors :**

Read more about our work on MiFIR [here](#).

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## ABOUT EFAMA

EFAMA is the voice of the European investment management industry, which manages around EUR 28.6 trillion of assets on behalf of its clients in Europe and around the world. We advocate for a regulatory environment that supports our industry’s crucial role in steering capital towards investments for a sustainable future and providing long-term value for investors.

Besides fostering a Capital Markets Union, consumer empowerment and sustainable finance in Europe, we also support open and well-functioning global capital markets and engage with international standard setters and relevant third-country authorities. EFAMA is a primary source of industry statistical data and issues regular publications, including Market Insights and the authoritative EFAMA Fact Book.

More information is available at [www.efama.org](http://www.efama.org)