



TO : **Regulated Entities:**

- i. **Cyprus Investment Firms ('CIFs')**
- ii. **Cyprus Stock Exchange**

FROM : **Cyprus Securities and Exchange Commission ('CySEC')**

DATE : **February 02, 2023**

CIRCULAR No : **C549**

SUBJECT : **Deprioritisation of supervisory actions on the obligation to publish RTS 27 reports after 28 February 2023 in light of the ongoing legislative procedure on the MiFID II/MiFIR review**

The Cyprus Securities and Exchange Commission ('the CySEC') wishes, herein, to inform the Regulated Entities on its supervisory actions regarding the RTS 27 reporting obligation. In particular):

1. According to Article 28(3) of the Law 87(I) 2017 ('the CIF Law') "*each trading venue and systematic internaliser, for financial instruments subject to the trading obligation in Articles 23 and 28 Regulation (EU) No 600/2014, and each execution venue for other financial instruments, must make available to the public, without any charges, on at least an annual basis, data relating to the quality of execution of transactions on that venue. The said periodic reports shall include details about price, costs, speed and likelihood of execution for individual financial instruments.*" The so-called [RTS 27](#) further specifies the content and the format of these reports (RTS 27 reports).
2. The amending Law 9(I)/2022 which transposes the EU Directive 2021/338 of 16 February 2021 under the Capital Markets Recovery Package, temporarily suspended the periodic reporting obligation to the public on execution venues in Article 28(3) of the CIF Law until 28 February 2023 as RTS 27 reports are rarely read and do not enable investors and other users to make meaningful comparisons on the basis of the information they contain.
3. On 25 November 2021, the European Commission published its legislative proposal on the review of the MiFID II/MiFIR, which includes a proposal to delete the RTS 27 reporting obligation. This said proposal is currently subject to a legislative procedure by the European Parliament and the Council of the EU which is unlikely to be concluded by 28 February 2023 (i.e., by the expiration date of the temporary suspension of the RTS 27 reporting obligation as mentioned in point 2 above). In other words, it is likely that the RTS 27 reporting obligation will re-apply after 28 February 2023 and it is expected that such a re-application will be only temporary (until the reviewed MiFID II Directive would apply¹).

¹ Under the assumption that the co-legislators would agree in the context of the MiFID II/MiFIR review to delete the RTS 27 reporting requirement.

4. Considering the above, the European Securities and Markets Authority ('ESMA') issued on 14 December 2022, a [Public Statement](#) to promote coordinated action by National Competent Authorities (NCAs) from 1 March 2023 until the forthcoming legislative amendment to Article 27(3)² of MiFID II applies (deletion of RTS 27 reporting obligation).

In particular, ESMA in its public statement, among others, is expecting competent authorities not to prioritise their supervisory actions towards execution venues on the obligation to publish RTS 27 reports after 28 February 2023 in the light of the ongoing legislative procedure on the MiFID II/MiFIR review as stated in point 3 above.

1. Taking into consideration the ESMA's public statement as well as the implications emerged from the re- application of the RTS 27 reporting obligation for a short period and in order to ensure that the RTS 27 reporting requirements and supervisory practices in Cyprus are aligned with those in the EU, CySEC adopts ESMA's approach on the relevant matter.

Yours sincerely,

Dr George Theocharides
Chairman, Cyprus Securities and Exchange Commission

² Article 28(3) of the CIF Law.