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COVER NOTE

From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

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To: Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

No. Cion doc.: C(2025) 7810 final

Subject: COMMISSION DELEGATED REGULATION (EU) .../... amending Delegated Regulation (EU) 2017/567 as regards the determination of what constitutes a liquid market for equity instruments, the obligation to provide market data on a reasonable commercial basis, the size specific to the instrument for the purposes of obligations for systematic internalisers, and the definition of and disclosure for post-trade risk reduction services

Delegations will find attached document C(2025) 7810 final.

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COMMISSION DELEGATED REGULATION (EU) .../...

of 24.11.2025

amending Delegated Regulation (EU) 2017/567 as regards the determination of what constitutes a liquid market for equity instruments, the obligation to provide market data on a reasonable commercial basis, the size specific to the instrument for the purposes of obligations for systematic internalisers, and the definition of and disclosure for post-trade risk reduction services

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

Regulation (EU) No 600/2014 of the European Parliament and of the Council¹ (MiFIR) governs how trading works in the EU. The latest legislative amendments to MiFIR were introduced by Regulation (EU) 2024/791 of the European Parliament and of the Council² (MiFIR review). The MiFIR review removed the main obstacles to the creation of three consolidated tapes ('CTs'), one for each of the following asset classes: bonds, shares and exchange traded funds ('ETFs'), and over the counter derivatives. The MiFIR review also enhanced transparency and increased competitiveness of EU markets in the global landscape. Since Directive 2014/65/EU of the European Parliament and of the Council³ (MiFID II) also contains provisions on the consolidated tapes and transparency, Directive (EU) 2024/790 of the European Parliament and of the Council⁴ amended MiFID II in parallel with the MiFIR review. Both amending acts were published in the Official Journal of the European Union on 8 March 2024 and entered into force on 28 March 2024. It is necessary to reflect and implement the amendments to MiFIR and MiFID II in Regulation (EU) 2017/567⁵ to achieve the following objectives:

- amend the provisions relating to the determination of what constitutes a 'liquid market' for the purposes of Articles 4, 5 and 14 of MiFIR by replacing the 'free float' criterion with the 'market capitalisation' criterion, in line with the amendments to the definition of 'liquid market' laid down in MiFIR, and clarify certain other issues around the liquidity assessment for equity instruments;
- delete provisions that clarify what constitutes a 'reasonable commercial basis' for trading venues and systematic internalisers. This follows from the changes introduced to Article 13 of MiFIR and the introduction of a new empowerment for ESMA to develop draft regulatory technical standards to specify the concept of 'reasonable commercial basis';
- delete the provision which specifies the size specific to the financial instrument for the purposes of the requirements applicable to systematic internalisers in respect of non-equity instruments. This follows from the deletion of pre-trade transparency requirements for systematic internalisers in respect of non-equity instruments;

¹ Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84, ELI: <http://data.europa.eu/eli/reg/2014/600/oj>).

² Regulation (EU) 2024/791 of the European Parliament and of the Council of 28 February 2024 amending Regulation (EU) No 600/2014 as regards enhancing data transparency, removing obstacles to the emergence of consolidated tapes, optimising the trading obligations and prohibiting receiving payment for order flow (OJ L, 2024/791, 8.3.2024, ELI: <http://data.europa.eu/eli/reg/2024/791/oj>).

³ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349, ELI: <http://data.europa.eu/eli/dir/2014/65/2025-01-17>).

⁴ Directive (EU) 2024/790 of the European Parliament and of the Council of 28 February 2024 amending Directive 2014/65/EU on markets in financial instruments (OJ L, 2024/790, 8.3.2024, ELI: <http://data.europa.eu/eli/dir/2024/790/oj>).

⁵ Commission Delegated Regulation (EU) 2017/567 of 18 May 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to definitions, transparency, portfolio compression and supervisory measures on product intervention and positions (OJ L 087 31.3.2017, pp. 90-116, ELI: http://data.europa.eu/eli/reg_del/2017/567/oj).

- specify what constitutes post-trade risk reduction ('PTRR') services for the purposes of the exemption laid down in Article 31(1) MiFIR⁶;
- delete publication requirements for portfolio compression services. This follows from the deletion of the obligation for investment firms and market operators who provide portfolio compression services to make public through an approved publication arrangement the volumes of transactions subject to portfolio compressions and the time they were concluded.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

ESMA conducted a public stakeholders' consultation on a technical advice to the Commission covering proposed amendments to Commission Delegated Regulation (EU) 2017/567. The consultation ran from 10 July 2024 to 30 September 2024⁷. On 16 December 2024, ESMA submitted its technical advice to the Commission⁸.

On 12 August 2025, the Commission consulted the Expert Group of the European Securities Committee on the draft delegated regulation. One comment was received, focusing on the determination of the market capitalisation for ETFs.

The draft delegated regulation was also published on the Better Regulation portal for a four-week feedback period from 8 August 2025 to 5 September 2025, in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making. Eight comments were received.

Three respondents provided feedback on the determination of liquid markets for equity instruments. Out of those:

- two respondents considered that the proposed market capitalisation thresholds fall short of increasing the amount of liquidity visible to investors and therefore may mislead investors. These respondents expressed a preference for a different approach, without however proposing alternative thresholds;
- one respondent proposed a different approach to determine liquid markets to avoid potential issues with hard thresholds.

Two respondents provided feedback on PTRR services. These respondents expressed overall support, while also proposing a few amendments to ensure that the definition of PTRR services is technologically neutral and better reflects current market practices for PTRR services. One respondent also noted that Article 17 of Delegated Regulation (EU) 2017/567 is outdated and recommended its deletion.

Overall, as the comments received did not contain any new concrete elements compared to the stakeholders' feedback received by ESMA when developing the technical advice, the thresholds, as proposed by ESMA, were confirmed. The methodology for calculating market

⁶ Article 31(1) MiFIR exempts PTRR services from the transparency requirements laid down in Articles 8a, 10 and 21 of MiFIR, the trading obligation laid down in Article 28 MiFIR and the obligation to execute orders on terms most favourable to the client laid down in Article 27 of MiFID 2.

⁷ ESMA, MiFIR Review – Consultation Package 3 (equity transparency, volume cap, circuit breakers, SI, the equity CTP, flags under RTS 2), 10 July 2024, ESMA74-2134169708-7011: [ESMA74-2134169708-7011 MiFIR Review - Consultation Package 3 \(equity transparency, volume cap, circuit breakers, SI, the equity CTP, flags under RTS 2\)](#).

⁸ ESMA, Final report on equity transparency (RTS 1 and CDR 2017/567), 16 December 2024, ESMA74-2134169708-7636: [ESMA74-2134169708-7636 Final Report on equity transparency](#).

capitalisation for ETFs was also confirmed, to ensure consistency with the methodology already set out in Delegated Regulation (EU) 2017/567 for calculating ETFs free float.

On PTRR services, the draft delegated act was amended in view of the feedback received from stakeholders on the need to preserve technological neutrality and to better reflect current market practices.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

- Article 1 introduces amendments to Regulation (EU) 2017/567 relating to the definition of liquid markets for equity instruments, the provision of market data on a reasonable commercial basis, the transparency requirements for systematic internalisers with respect to non-equity instruments, and the definition of (and transparency requirements for) PTRR services.
- Article 2 defines the entry into force and application of this Regulation.

COMMISSION DELEGATED REGULATION (EU) .../...

of 24.11.2025

amending Delegated Regulation (EU) 2017/567 as regards the determination of what constitutes a liquid market for equity instruments, the obligation to provide market data on a reasonable commercial basis, the size specific to the instrument for the purposes of obligations for systematic internalisers, and the definition of and disclosure for post-trade risk reduction services

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012⁹, and in particular Article 2(2), and Article 31(4), point (a), thereof,

Whereas:

- (1) Regulation (EU) 2024/791 of the European Parliament and the Council¹⁰ amended Article 2(1), point (17)(b), of Regulation (EU) No 600/2014 on the criteria to determine what constitutes a ‘liquid market’ for the purposes of Articles 4, 5 and 14 of the latter Regulation by replacing the ‘free float’ criterion by the ‘market capitalisation’ criterion. To reflect that amendment, it is therefore necessary to amend the corresponding provisions of Commission Delegated Regulation (EU) 2017/567¹¹. When doing so, it is important to ensure consistency with the results of the liquidity assessment in terms of number of liquid shares, percentage of turnover in liquid shares, and the number of transactions in liquid shares obtained so far by applying the free float criterion. The determination of what constitutes a ‘liquid market’ for shares for the purposes of Articles 4, 5 and 14 of Regulation (EU) No 600/2014 should therefore rely on a market capitalisation threshold of EUR 100 million. To ensure consistency with the methodology so far applied for calculating the free float for shares that are only traded on a multilateral trading facility, the market capitalisation of a share should be calculated by multiplying the number of outstanding shares by the price per share. Given that for depository receipts, exchange traded funds (‘ETFs’) and certificates the methodology set out in Delegated Regulation (EU) 2017/567 for calculating the free float is already aligned to the methodology for calculating the

⁹ OJ L 173, 12.6.2014, p. 84.

¹⁰ Regulation (EU) 2024/791 of the European Parliament and of the Council of 28 February 2024 amending Regulation (EU) No 600/2014 as regards enhancing data transparency, removing obstacles to the emergence of consolidated tapes, optimising the trading obligations and prohibiting receiving payment for order flow (OJ L, 2024/791, 8.3.2024, ELI: <http://data.europa.eu/eli/reg/2024/791/oj>).

¹¹ Commission Delegated Regulation (EU) 2017/567 of 18 May 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to definitions, transparency, portfolio compression and supervisory measures on product intervention and positions (OJ L 87, 31.3.2017, p. 90, ELI: http://data.europa.eu/eli/reg_del/2017/567/oj).

market capitalisation, the thresholds for determining liquid markets for those financial instruments should remain unchanged, while the references to ‘free float’ should be replaced by references to ‘market capitalisation’.

- (2) Article 5(1), first subparagraph, points (b) and (c), of Delegated Regulation (EU) 2017/567 require that, for the purposes of the liquidity assessment for equity instruments, the average daily turnover (‘ADT’) and the average daily number of transactions (‘ADNTE’) are calculated by using the total turnover executed in the Union and the total number of transactions executed in the Union, respectively. That means that, for the calculation of the ADT and the ADNTE, the numerator includes transactions in a financial instrument executed both on a trading venue and outside of a trading venue. Article 5 of Delegated Regulation (EU) 2017/567, however, does not specify how to determine the denominator. It is necessary to provide legal clarity and to ensure consistency with the methodology laid down in Article 7(10) of Commission Delegated Regulation (EU) 2017/587¹² for determining the post-trade large-in-scale threshold. It is therefore necessary to specify that, when calculating the ADT and the ADNTE, the denominator should be the number of days on which the financial instrument was available for trading on the most relevant market in terms of liquidity, as referred to in Article 4 of Delegated Regulation (EU) 2017/587, and on which that market was open. The same approach should also apply for determining the denominator for assessing whether a financial instrument is traded daily.
- (3) Delegated Regulation (EU) 2017/567 does not contain any parameters to determine what constitutes a ‘liquid market’ for the purposes of Articles 4, 5, and 14 of Regulation (EU) No 600/2014 for financial instruments similar to shares, depositary receipts, ETFs, or certificates (‘other similar financial instruments’). To ensure legal clarity, it is necessary to specify that other similar financial instruments should be deemed to be illiquid over their entire trading life.
- (4) Article 13(2), and Article 15(5) of Regulation (EU) No 600/2014 empowered the Commission to adopt delegated acts clarifying what constitutes a reasonable commercial basis to make information public pursuant to Article 13(1) and Article 15(1), respectively, which the Commission did in Chapter II of Delegated Regulation (EU) 2017/567. Article 1, point (12), of Regulation (EU) 2024/791 introduced into Regulation (EU) No 600/2014 a new Article 13. That new Article 13 requires market operators and investment firms operating a trading venue, approved publication arrangements (‘APAs’), consolidated tape providers and systematic internalisers to make available to the public the information published in accordance with Articles 3, 4, 6 to 11a, 14, 20, 21, 27g and 27h of Regulation (EU) No 600/2014 on a ‘reasonable commercial basis’. That new Article 13 also empowers ESMA and the Commission to further specify what constitutes ‘a reasonable commercial basis’. The Commission used that empowerment to adopt Commission Delegated Regulation (EU)

¹² Commission Delegated Regulation (EU) 2017/587 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments and on transaction execution obligations in respect of certain shares on a trading venue or by a systematic internaliser (OJ L 87, 31.3.2017, p. 387, ELI: http://data.europa.eu/eli/reg_del/2017/587/oj).

2025/1156¹³. It follows that Chapter II of Delegated Regulation (EU) 2017/567 should be deleted.

- (5) Regulation (EU) 2024/791 amended Regulation (EU) No 600/2014 by deleting Articles 18 and 19 of that Regulation, which contained pre-trade transparency requirements for systematic internalisers in respect of non-equity instruments when providing firm or indicative quotes to their clients. As a consequence, Regulation (EU) 2024/791 also deleted the obligation for systematic internalisers, laid down in Article 18(6) of Regulation (EU) No 600/2014, to undertake to enter into transactions in non-equity instruments under the published conditions with any client to whom the quote is made available when the quoted size is at or below the size specific to the financial instrument. It follows that Article 16 of Delegated Regulation (EU) 2017/567, which specifies the size specific to the financial instrument for the purposes of the requirements applicable to systematic internalisers in respect of non-equity instruments, should be deleted.
- (6) Regulation (EU) 2024/791 amended Article 31 of Regulation (EU) No 600/2014 by expanding, beyond portfolio compression services, the scope of post-trade risk reduction ('PTRR') services that form and establish transactions in OTC derivatives, which are exempt from requirements of pre- and post-trade transparency, the trading obligation and requirements of best execution. Regulation (EU) 2024/791 empowered the Commission to specify what constitutes PTRR services for the purposes of Article 31(1) of Regulation (EU) No 600/2014 and the transactions to be recorded by PTRR services providers pursuant to Article 31(4) of the latter Regulation. In order for transactions in OTC derivatives to be exempt from requirements of pre- and post-trade transparency, the trading obligation and requirements of best execution, PTRR services that form and establish those transactions should comply with a number of conditions. They should be provided by a third-party service provider on the basis of non-discretionary rules that are set in advance; the participants in the PTRR exercise should not be able to choose which trades to execute; PTRR services should have the purpose of achieving a reduction of risk in each of the portfolios submitted to the PTRR exercise by the counterparties to the derivative transaction or by an agent acting on their behalf; they should be market-risk neutral; and transactions resulting from the PTRR exercise should not contribute to price formation. Limited risk tolerances can be set by the counterparties to the derivative transaction, provided that market risk neutrality is overall ensured. To ensure legal clarity, Delegated Regulation (EU) 2017/567 should be amended to specify that, for the purposes of Article 31(1) of Regulation (EU) No 600/2014, PTRR services include compression, rebalancing and basis risk optimisation.
- (7) Regulation (EU) 2024/791 amended Article 31 of Regulation (EU) No 600/2014 by deleting the obligation for investment firms and market operators providing portfolio compression to make public through APA the volumes of transactions subject to portfolio compressions and the time they were concluded. It follows that Article 18 of Delegated Regulation (EU) 2017/567, which specifies publication requirements for portfolio compression, should be deleted.

¹³ Commission Delegated Regulation (EU) 2025/1156 of 12 June 2025 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on the obligation to make market data available to the public on a reasonable commercial basis (OJ L, 2025/1156, 3.11.2025, ELI: http://data.europa.eu/eli/reg_del/2025/1156/oj).

- (8) Delegated Regulation (EU) 2017/567 should therefore be amended accordingly.
- (9) For market operators and investment firms operating a trading venue, APAs and systematic internalisers which are authorised before 23 November 2025, Delegated Regulation (EU) 2025/1156 will apply from 23 August 2026. Therefore, Chapter II of Delegated Regulation (EU) 2017/567 should be deleted with effect from 23 August 2026,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments to Delegated Regulation (EU) 2017/567

Delegated Regulation (EU) 2017/567 is amended as follows:

- (1) Articles 1 to 4 are replaced by the following:

Article 1

Determining liquid markets for shares

(Article 2(1), point (17)(b), of Regulation (EU) No 600/2014)

1. For the purposes of Article 2(1), point (17)(b), of Regulation (EU) No 600/2014, a share that is traded daily shall be considered to have a liquid market where all of the following conditions are met:

- (a) the market capitalisation of the share is not less than EUR 100 million;
- (b) the average daily number of transactions in the share is not less than 250;
- (c) the average daily turnover for the share is not less than EUR 1 million.

2. For the purposes of paragraph 1, point (a), the market capitalisation of a share shall be calculated by multiplying the number of outstanding shares by the price per share.

3. For the purposes of paragraph 1, point (c), the daily turnover of a share shall be calculated by aggregating the results of multiplying, for each transaction executed during a trading day, the number of shares exchanged between the buyer and the seller by the price per share.

4. During the six-week period commencing on the first trading day following the first admission of a share to trading on a regulated market or an MTF, that share shall be considered to have a liquid market for the purposes of Article 2(1), point (17)(b), of Regulation (EU) No 600/2014 where the sum obtained by multiplying the number of outstanding shares by the price at which the share stands at the start of the first trading day is estimated to be not less than EUR 100 million, and, where, according to estimated data for that period, the conditions set out in paragraph 1, points (b) and (c), are fulfilled.

5. Where fewer than five shares traded on the trading venues of a Member State and first admitted to trading in that Member State are considered to have a liquid market as referred to in paragraph 1, the competent authority of that Member State may designate one or more shares first admitted to trading on those trading venues as shares considered to have a liquid market, provided that the total number of shares first admitted to trading in that Member State and considered to have a liquid market does not exceed five.

Article 2

Determining liquid markets for depositary receipts

(Article 2(1), point (17)(b), of Regulation (EU) No 600/2014)

1. For the purposes of Article 2(1), point (17)(b), of Regulation (EU) No 600/2014, a depositary receipt that is traded daily shall be considered to have a liquid market where all of the following conditions are met:

- (a) the market capitalisation is not less than EUR 100 million;
- (b) the average daily number of transactions in the depositary receipt is not less than 250;
- (c) the average daily turnover for the depositary receipt is not less than EUR 1 million.

2. For the purposes of paragraph 1, point (a), the market capitalisation of a depositary receipt shall be calculated by multiplying the number of outstanding units of the depositary receipt by the price per unit.

3. For the purposes of paragraph 1, point (c), the daily turnover of a depositary receipt shall be calculated by aggregating the results of multiplying, for each transaction executed during a trading day, the number of units of the depositary receipt exchanged between the buyer and the seller by the price per unit.

4. For the six-week period commencing on the first day of trading following the first admission of a depositary receipt to trading on a trading venue, that depositary receipt shall be considered to have a liquid market for the purposes of Article 2(1), point (17)(b), of Regulation (EU) No 600/2014 where the estimated market capitalisation at the start of the first day of trading stands at not less than EUR 100 million and, where, according to estimated data for that period, the conditions set out in paragraph 1, points (b) and (c) are fulfilled.

5. Where fewer than five depositary receipts traded on the trading venues of a Member State and first admitted to trading in that Member State are considered to have a liquid market as referred to in paragraph 1, the competent authority of that Member State may designate one or more depositary receipts first admitted to trading on those trading venues as depositary receipts considered to have a liquid market, provided that the total number of depositary receipts first admitted to trading in that Member State and considered to have a liquid market does not exceed five.

Article 3

Determining liquid markets for exchange traded funds

(Article 2(1), point (17)(b), of Regulation (EU) No 600/2014)

1. For the purposes of Article 2(1), point (17)(b), of Regulation (EU) No 600/2014, an exchange traded fund that is traded daily shall be considered to have a liquid market where all of the following conditions are met:

- (a) the market capitalisation is not less than 100 units;
- (b) the average daily number of transactions in the exchange traded fund is not less than 10;
- (c) the average daily turnover for the exchange traded fund is not less than EUR 500 000.

2. For the purposes of paragraph 1, point (a), the market capitalisation of an exchange traded fund shall be the number of units issued for trading.
3. For the purposes of paragraph 1, point (c), the daily turnover for the exchange traded fund shall be calculated by aggregating the results of multiplying, for each transaction executed during a trading day, the number of units of the exchange traded fund exchanged between the buyer and the seller by the price per unit.
4. During the six-week period commencing on the first trading day following the first admission of an exchange traded fund to trading on a trading venue, that exchange traded fund shall be considered to have a liquid market for the purposes of Article 2(1), point (17)(b), of Regulation (EU) No 600/2014 where the estimated market capitalisation at the start of the first trading day stands at not less than 100 units and where, according to estimated data for that period, the conditions set out in paragraph 1, points (b) and (c), are fulfilled.
5. Where fewer than five exchange traded funds traded on the trading venues of a Member State and first admitted to trading in that Member State are considered to have a liquid market as referred to in paragraph 1, the competent authority of that Member State may designate one or more exchange traded funds first admitted to trading on those trading venues as exchange traded funds considered to have a liquid market, provided that the total number of exchange traded funds first admitted to trading in that Member State and considered to have a liquid market does not exceed five.

Article 4

Determining liquid markets for certificates

(Article 2(1), point (17)(b), of Regulation (EU) No 600/2014)

1. For the purposes of Article 2(1), point (17)(b), of Regulation (EU) No 600/2014, a certificate that is traded daily shall be considered to have a liquid market where all of the following conditions are met:
 - (a) the market capitalisation is not less than EUR 1 million;
 - (b) the average daily number of transactions in the certificate is not less than 20;
 - (c) the average daily turnover for the certificate is not less than EUR 500 000.
2. For the purposes of paragraph 1, point (a), the market capitalisation of a certificate shall be the issuance size irrespective of the number of units issued.
3. For the purposes of paragraph 1, point (c), the daily turnover for the certificate shall be calculated by aggregating the results of multiplying, for each transaction executed during a trading day, the number of units of the certificate exchanged between the buyer and the seller by the price per unit.
4. During the six-week period commencing on the first trading day following the first admission of a certificate to trading on a trading venue, that certificate shall be considered to have a liquid market for the purposes of Article 2(1), point (17)(b), of Regulation (EU) No 600/2014 where the estimated market capitalisation at the start of the first trading day stands at not less than EUR 1 million, and where, according to estimated data for that period, the conditions set out in paragraph 1, points (b) and (c), are fulfilled.

5. Where fewer than five certificates traded on the trading venues of a Member State and first admitted to trading in that Member State are considered to have a liquid market as referred to in paragraph 1, the competent authority of that Member State may designate one or more certificates first admitted to trading on those trading venues as certificates considered to have a liquid market, provided that the total number of certificates first admitted to trading in that Member State and considered to have a liquid market does not exceed five.’;

(2) the following Article 4a is inserted:

‘Article 4a

Determining liquid markets for other similar financial instruments

(Article 2(1), point (17)(b), of Regulation (EU) No 600/2014)

For the purposes of Article 2(1), point (17)(b), of Regulation (EU) No 600/2014, other similar financial instruments shall be considered not to have a liquid market over their entire trading life.’;

(3) Article 5 is replaced by the following:

‘Article 5

Assessment of liquidity of equity instruments by the competent authorities

(Article 2(1), point (17)(b), of Regulation (EU) No 600/2014)

1. The competent authority of the most relevant market in terms of liquidity as specified in Article 16 of Commission Delegated Regulation (EU) 2017/590* shall assess whether a share, depositary receipt, exchange traded fund or a certificate has a liquid market for the purposes of Article 2(1), point (17)(b), of Regulation (EU) No 600/2014 in accordance with Articles 1 to 4 of this Regulation in each of the following scenarios:

- (a) before the financial instrument is first traded on the trading venue, as specified in Article 1(4), Article 2(4), Article 3(4) and Article 4(4);
- (b) between the end of the first four weeks of trading and the end of the first six weeks of trading of the financial instrument;
- (c) between the end of every calendar year and before 1 March of the following year for financial instruments traded on a trading venue before 1 December of the relevant calendar year;
- (d) immediately after the moment where, following a corporate action, any previous assessment has changed.

For the purposes of point (b), the assessment shall be based on the market capitalisation at the last trading day of the first four weeks of trading, the average daily number of transactions and the average daily turnover taking into consideration all transactions executed in the Union for that financial instrument during the first four weeks of trading. For the purposes of that assessment, the denominator shall be the number of days on which the financial instrument was available for trading on the most relevant market in terms of liquidity, as referred to in Article 4 of Delegated Regulation (EU) 2017/587, and on which such market was open.

For the purposes of point (c), the assessment shall be based on the market capitalisation at the last trading day of the relevant calendar year, the average

daily number of transactions and the average daily turnover taking into consideration all transactions executed in the Union for that financial instrument in that year. For the purposes of that assessment, the denominator shall be the number of days on which the financial instrument was available for trading on the most relevant market in terms of liquidity, as referred to in Article 4 of Delegated Regulation (EU) 2017/587, and on which such market was open.

Competent authorities shall publish the result of their assessment immediately upon completion of the assessment.

2. Competent authorities, market operators and investment firms, including investment firms operating a trading venue, shall use the information published in accordance with paragraph 1:

- (a) for a period of six weeks commencing on the first day of trading of the financial instrument, where the assessment is carried out pursuant to paragraph 1, point (a);
- (b) for a period commencing six weeks after the first day of trading of that financial instrument and ending on the day preceding the first Monday of April of the year of publication of the information in accordance with paragraph 1, point (c), where the assessment is carried out pursuant to paragraph 1, point (b);
- (c) for a period of one year commencing on the first Monday of April following the date of publication where the assessment is carried out pursuant to paragraph 1, point (c).

Where the information referred to in this paragraph is replaced by new information pursuant to paragraph 1, point (d), competent authorities, market operators and investment firms, including investment firms operating a trading venue, shall use that new information for the purposes of Article 2(1), point (17)(b), of Regulation (EU) No 600/2014.

3. For the purposes of paragraph 1, trading venues shall submit to competent authorities the information set out in the Annex within the following timeframes:

- (a) for financial instruments which are admitted to trading for the first time, before the day on which the financial instrument is first traded;
- (b) for financial instruments already admitted to trading, in all the following timeframes:
 - (i) no later than three days after the end of the first four weeks of trading;
 - (ii) after the end of every calendar year but no later than 3 January of the following year;
 - (iii) immediately after the moment where, following a corporate action, the information previously submitted to the competent authority has changed.

* Commission Delegated Regulation (EU) 2017/590 of 28 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory

technical standards for the reporting of transactions to competent authorities (OJ L 87, 31.3.2017, p. 449, ELI: http://data.europa.eu/eli/reg_del/2017/590/oj).’;

- (4) Chapter II is deleted;
- (5) Article 16 is deleted;
- (6) the following Article 16a is inserted:

Article 16a

Post-trade risk reduction services

(Article 31(4), point (b), of Regulation (EU) No 600/2014)

1. For the purposes of Article 31(1) of Regulation (EU) No 600/2014, post-trade risk reduction services are services that meet all the following conditions:

- (a) they are provided by a third-party service provider on the basis of non-discretionary rules that are set in advance;
- (b) the post-trade risk reduction exercise is accepted in full and, as a result, the participants in that exercise are not able to choose which trades to execute under the post-trade risk reduction exercise;
- (c) they have the purpose of achieving a reduction of risk in each derivatives portfolio submitted to the post-trade risk reduction exercise by the counterparties to the derivative transactions;
- (d) they are market-risk neutral, within the tolerances set by the counterparties to the derivative transactions submitted to the post-trade risk reduction exercise;
- (e) transactions that result from a post-trade risk reduction exercise do not contribute to price formation.

2. For the purposes of Article 31(1) of Regulation (EU) No 600/2014, post-trade risk reduction services shall include compression services, rebalancing services, and basis risk optimisation services.’;

- (7) Article 18 is deleted;
- (8) the Annex is replaced by the text in the Annex to this Regulation.

Article 2

Entry into force and application

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

Article 1, point (4), shall apply from 23 August 2026.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 24.11.2025

For the Commission
The President
Ursula VON DER LEYEN