



BNP Paribas is Systematic Internaliser under MiFID II: SI Status per asset and sub-asset classes

Background

As part of its MiFID II implementation, BNP Paribas decided to voluntarily opt-in as a Systematic Internaliser (SI) for MiFID II non-equity and equity-like ETF instruments that are traded or admitted to trading on trading venues (TOTV), as of 3 January 2018. This factsheet lists BNPP SI status per asset and sub-asset classes.

BNPP SI Status per asset and sub-asset classes

The table on the next pages delineates the SI status per BNP Paribas legal entity and per ESMA asset and sub-asset classes.

BNP Paribas Global Market (BNPP GM) is SI for TOTV products. In other words, BNPP GM is not SI either for products that BNPP GM does not trade OTC or for products that BNPP GM trades OTC but that are not TOTV.

The bottom line is that BNPP GM shall take the responsibility for post-trade transparency reports for its clients in all cases, where they are not themselves SIs.

Regulation **MiFID II**
March 2019

Key Dates

20 October 2011

The European Commission adopted a legislative proposal for the revision of MiFID in the form of a revised Directive (Recast MiFID) and a new Regulation (MiFIR), together MiFID II.

15 April 2014

MiFID II was adopted by the European Parliament.

12 June 2014

MiFID II was published in the EU Official Journal – level 1 publication.

3 July 2017

Deadline for transposition of MiFID II into national law by member states.

30 November 2017

BNP Paribas decided to voluntarily opt-in as a Systematic Internaliser (SI) for all MiFID II TOTV Non-Equity instruments and ETFs.

3 January 2018

Application of MiFID II within all Member States. Voluntary SI opt-in.

1 September 2018

SI determination calculation - mandatory SI status - Equity, Equity-like & Bonds

2019-2020

SI determination calculation - mandatory SI status - Derivatives



- **ESMA asset and sub-asset class** – columns 1 & 2 - We use the European Securities and Markets Authority (ESMA)'s asset and sub-asset classes as defined in the appendices to MiFID II RTS 1 and RTS 2.

Those categories are also the ones used by the industry for the definition and structure of SI industry databases and used by many Approved Publication Arrangement (APAs).

- **TOTV for BNPP OTC Trading BNPP Assumption** – column 3 - In addition, we show a column "TOTV for BNPP OTC Trading - BNPP Assumption", which represents, for the instruments traded OTC by BNP Paribas Global Markets (BNPP GM), BNPP GM's assumption in terms of TOTV.

Those assumptions may change as the industry gets more clarity on the TOTV concept for derivatives in 2018 (related to ISIN for derivatives, declaration of instruments, industry source for TOTV or OTF applications status).

For example, it is BNPP GM's assumption that the instruments under the ESMA sub-asset classes "Other Derivatives" (IRD, EQD, Commo, FX, Credit) and under the whole of the ESMA asset class "Commodity Derivatives" that BNPP GM trades OTC are client- and solution-specific and are not and will not become TOTV.

A hyphen ("-") in this column indicates an asset or sub-asset class that BNPP GM does not trade.

- **Liquidity ESMA Transparency Calculations** - column 4 - The fourth column shows the results of ESMA liquidity assessment / transparency calculations, which can be found [here](#).

In summary, there are 4 criteria to be met to be considered as liquid:

- the instrument must be traded daily,
- the free float,
- the average daily number of transactions and
- the average daily turnover should be greater or equal to different predefined thresholds.

- **SI Status** – columns 5-8 - The last 4 columns show the SI status of BNP Paribas legal entities.

When an asset / sub-asset class is deemed TOTV and traded OTC by BNPP GM, we indicate an "SI – Yes".
With the exception of cash equity for which BNPP GM is not SI.

When an asset / sub-asset class is deemed not TOTV and traded OTC by BNPP GM, we indicate a "hyphen".
This is the case for:

- Other Derivatives (i.e. IRD, EQD, Commodity derivatives, FX, and Credit derivatives not captured by the other ESMA sub-asset classes referred to in the table)
- Commodity Derivatives
- CFDs
- Emission Allowances

When an asset / sub-asset class is not traded OTC by BNPP GM, we indicate a "hyphen" as well.

This is the case for:

- Equity-like other than ETFs (Depositary receipts...)
- Structured Finance Products
- C10 Derivatives



ESMA Asset Classes	ESMA Sub-Asset Classes	TOTV for BNPP OTC Trading BNPP Assumption	Liquidity ESMA Transparency Calculations	Status			
				BNPP SA	BNPP Arbitrage	BNPP Fortis	BP2S
Equity	Share	TOTV - Yes	Threshold & ISIN list	-	-	-	-
Equity-like	Depository Receipt	-	Threshold & ISIN list	-	-	-	-
	Exchange-Traded Funds (ETFs)	TOTV - Yes	Threshold & ISIN list	SI - Yes	SI - Yes	SI - Yes	-
	Certificates	-	Threshold & ISIN list	-	-	-	-
	Other Equity-like Financial Instrument	-	Threshold & ISIN list	-	-	-	-
Bonds (Other than ETCs / ETNs)	Sovereign Bond	TOTV - Yes	Threshold & ISIN list	SI - Yes	-	SI - Yes	-
	Other Public Bond	TOTV - Yes	Threshold & ISIN list	SI - Yes	-	SI - Yes	-
	Convertible Bond	TOTV - Yes	Threshold & ISIN list	SI - Yes	SI - Yes	SI - Yes	-
	Covered Bond	TOTV - Yes	Threshold & ISIN list	SI - Yes	-	SI - Yes	-
	Corporate Bond	TOTV - Yes	Threshold & ISIN list	SI - Yes	-	SI - Yes	-
	Other Bond	TOTV - Yes	Threshold & ISIN list	SI - Yes	-	SI - Yes	-
Bonds (ETC and ETN)	Exchanged Traded Commodities (ETCs)	TOTV - Yes	Some	-	SI - Yes	-	-
	Exchanged Traded Notes (ETNs)	TOTV - Yes	Some	-	-	-	-
Structured Finance Product	-	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
Securitised Derivatives	Plain vanilla covered warrants	TOTV - Yes	Liquid	SI - Yes	SI - Yes	SI - Yes	-
	Leverage Certificates	TOTV - Yes	Liquid	SI - Yes	SI - Yes	SI - Yes	-
	Exotic Covered Warrants	TOTV - Yes	Liquid	SI - Yes	SI - Yes	SI - Yes	-
	Negotiable Rights	TOTV - Yes	Liquid	SI - Yes	SI - Yes	SI - Yes	-
	Investment Certificates	TOTV - Yes	Liquid	SI - Yes	SI - Yes	SI - Yes	-
Interest Rate Derivatives	Bond Futures/Forwards	TOTV - Yes	Some	SI - Yes	-	SI - Yes	-
	Bond Options	TOTV - Yes	Some	SI - Yes	-	SI - Yes	-
	IR Future & FRA	TOTV - Yes	Some	SI - Yes	-	SI - Yes	-
	IR Options	TOTV - Yes	Some	SI - Yes	-	SI - Yes	-
	Swaptions	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Fixed-to-Float multi-ccy or cross-ccy swaps & Future/Forward on Fixed-to-float multi-ccy or cross-ccy swaps	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Floating-to-Floating multi-ccy or cross-ccy swaps & Future/Forward on floating-to-floating multi-ccy or cross-ccy swaps	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Fixed-to-Fixed multi-ccy or cross-ccy swaps & Future/Forward on Fixed-to-fixed multi-ccy or cross-ccy swaps	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Overnight Index Swap (OIS) multi- or cross-ccy swaps & Future/Forwards on OIS multi-ccy or cross-ccy swaps	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Inflation multi- or cross-ccy-swaps & Future/Forwards on inflation multi-ccy or cross-ccy swaps	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Fixed-to-Floating single ccy-swaps & Future/Forwards on Fixed to float single ccy-swaps	TOTV - Yes	Some	SI - Yes	-	SI - Yes	-
	Floating-to-Floating single ccy-swaps & Future/Forwards on floating to floating single-ccy swaps	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Fixed-to-Fixed single ccy-swaps & Future/Forwards on Fixed to fixed single ccy-swaps	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Overnight Index Swap (OIS) single ccy-swaps & Future/Forwards on OIS single ccy-swaps	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Inflation single ccy swap & Futures / Forwards on inflation single ccy-swaps	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Other Interest Rate Derivatives	TOTV - No	Not liquid	-	-	-	-
Equity Derivatives	Stock Index Options	TOTV - Yes	Some	SI - Yes	SI - Yes	SI - Yes	-
	Stock Index Futures/Forwards	TOTV - Yes	Some	SI - Yes	SI - Yes	SI - Yes	-
	Stock Options	TOTV - Yes	Some	SI - Yes	SI - Yes	SI - Yes	-
	Stock Futures/Forwards	TOTV - Yes	Some	SI - Yes	SI - Yes	SI - Yes	-
	Stock Dividend Option	TOTV - Yes	Some	SI - Yes	SI - Yes	SI - Yes	-
	Stock Dividend futures / forward	TOTV - Yes	Some	SI - Yes	SI - Yes	SI - Yes	-
	Dividend Index Option	TOTV - Yes	Not liquid	SI - Yes	SI - Yes	SI - Yes	-
	Dividend index futures/forwards	TOTV - Yes	Some	SI - Yes	SI - Yes	SI - Yes	-
	Volatility Index Option	TOTV - Yes	Some	SI - Yes	SI - Yes	SI - Yes	-
	Volatility index futures/forwards	TOTV - Yes	Some	SI - Yes	SI - Yes	SI - Yes	-
	ETF Options	TOTV - Yes	Some	SI - Yes	SI - Yes	SI - Yes	-
	ETF futures/ forwards	TOTV - Yes	Not liquid	SI - Yes	SI - Yes	SI - Yes	-
	Swap	TOTV - Yes	Not liquid	SI - Yes	SI - Yes	SI - Yes	-
	Portfolio Swap	TOTV - Yes	Not liquid	SI - Yes	SI - Yes	SI - Yes	-
Other Equity Derivatives	TOTV - No	Not liquid	-	-	-	-	



Commodity Derivatives	Metal commodity futures/forwards	TOTV - No	Some	-	-	-	-
	Metal commodity options	TOTV - No	Not liquid	-	-	-	-
	Metal commodity swaps	TOTV - No	Not liquid	-	-	-	-
	Energy commodity futures/forwards	TOTV - No	Some	-	-	-	-
	Energy commodity options	TOTV - No	Some	-	-	-	-
	Energy commodity swaps	TOTV - No	Not liquid	-	-	-	-
	Agricultural commodity futures/forwards	TOTV - No	Some	-	-	-	-
	Agricultural commodity options	TOTV - No	Some	-	-	-	-
	Agricultural commodity swaps	TOTV - No	Not liquid	-	-	-	-
Other commodities derivatives	TOTV - No	Not liquid	-	-	-	-	
Foreign Exchange Derivatives	Non Deliverable Forward (NDF)	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	SI - Yes
	Deliverable Forward (DF)	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	SI - Yes
	Non-Deliverable FX Options (NDO)	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Deliverable FX Options (DO)	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Non-deliverable FX Swaps (NDS)	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	SI - Yes
	Deliverable FX Swaps (DS)	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	SI - Yes
	FX Futures	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
Other FX Derivatives	TOTV - No	Not liquid	-	-	-	-	
Credit Derivatives	Index Credit Default Swap (CDS)	TOTV - Yes	Some (2 Indices)	SI - Yes	-	SI - Yes	-
	Single Name Credit Default Swap (CDS)	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Bespoke basket credit default swap (CDS)	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	CDS Index options	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Single Name CDS options	TOTV - Yes	Not liquid	SI - Yes	-	SI - Yes	-
	Other Credit Derivatives	TOTV - No	Not liquid	-	-	-	-
C10 Derivatives	Freight derivatives	-	Not liquid	-	-	-	-
	Other C10 derivatives	-	Not liquid	-	-	-	-
Financial Contracts for Difference (CFDs)	Ccy CFDs	TOTV - No	Not liquid	-	-	-	-
	Commodity CFDs	TOTV - No	Some	-	-	-	-
	Equity CFDs	TOTV - No	Not liquid	-	-	-	-
	Bond CFDs	TOTV - No	Not liquid	-	-	-	-
	CFDs on an Equity future/forward	TOTV - No	Not liquid	-	-	-	-
	CFDs on an Equity option	TOTV - No	Not liquid	-	-	-	-
	Other CDFs	TOTV - No	Not liquid	-	-	-	-
Emission Allowances	European Union Allowances (EUA)	TOTV - No	Liquid	-	-	-	-
	European Union Aviation Allowances (EUAA)	TOTV - No	Not liquid	-	-	-	-
	Certified Emission Reductions (CER)	TOTV - No	Not liquid	-	-	-	-
	Emission Reduction Units (ERU)	TOTV - No	Not liquid	-	-	-	-
Emission Allowance Derivatives	European Union Allowances (EUA)	TOTV - No	Liquid	-	-	-	-
	European Union Aviation Allowances (EUAA)	TOTV - No	Liquid	-	-	-	-
	Certified Emission Reductions (CER)	TOTV - No	Not liquid	-	-	-	-
	Emission Reduction Units (ERU)	TOTV - No	Not liquid	-	-	-	-
	Other Emission Allowances	TOTV - No	Not liquid	-	-	-	-



FURTHER QUESTIONS

If you have any other comments or questions, please contact the BNP Paribas European Regulatory Reform Team (regreform.eu@uk.bnpparibas.com) or your usual relationship or sales contact.

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