

Suspension of certain waivers on pre-trade transparency requirements in the trading in specific listed shares for six months (published in April 2018)

11 April 2018

On 10 April, pursuant to Article 5(4) of MiFIR, ESMA published the data relating to the volume limitation mechanism ("double volume cap"), which show that the 8% threshold has been exceeded with respect to certain financial instruments admitted to trading on the Spanish Stock Exchanges.

The information published by ESMA can be consulted at the following link:

<https://www.esma.europa.eu/press-news/esma-news/esma-updates-its-double-volume-cap-register>

In compliance with the provisions of MIFIR and according to the data published by ESMA, CNMV has today decided:

"To suspend, from 13 April until 13 October, both dates inclusive, pursuant to Article 5(3) of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May ("MiFIR"), the use of the transparency waivers on trading orders at prices referenced to another market, regulated under Article 4(1)(a) of MiFIR, on the Stock Exchanges, since the 8% threshold referred to in Article 5(1)(b) of MiFIR has been exceeded with respect to the trading in the following financial instrument".

ISIN	Issuer
ES0171996095	GRIFOLS, S.A. (class B shares)

Volume limitation mechanism

MiFIR (European Regulation 600/2014) establishes certain pre-trading transparency requirements applicable to shares and other financial instruments, in recognition of the possibility of trading venues requesting the competent authority to implement waivers. The waivers granted include those on orders at reference prices ("Reference Price Waivers") and those on negotiated or pre-agreed transactions ("Negotiated Transaction Waivers").

However, MiFIR itself, in order to ensure that the use of Reference Price Waivers and certain Negotiated Transaction Waivers does not unnecessarily hinder price formation, has imposed a double cap on trading carried out under such waivers and, consequently, the competent authority must suspend the use of waivers in both the following scenarios for six months:

- a) The percentage of trading in a financial instrument on a single trading venue under the waivers exceeds 4% of the total trading volume in that financial instrument across all EU trading venues over the previous 12 months.
- b) The total trading in a financial instrument throughout the EU under these waivers exceeds 8% of the total trading volume in that financial instrument across all EU trading venues over the previous 12 months.

In Spain, CNMV has authorised a waiver on transaction matching, on shares or ETFs admitted to trading on the Spanish Stock Exchanges and MAB or LATIBEX, at the average price of the best current buying and selling position in a reference market (transactions at the midpoint of the bracket). This waiver is included in the categorisation of Reference Price Waivers and is, therefore, subject to the volume limitation mechanism described.