

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

CIRCULAR ON MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE ('MiFID II') AND MARKETS IN FINANCIAL INSTRUMENTS REGULATION ('MiFIR')

Transaction Reporting

Following a number of queries received by the Authority, the latter would like to make the following clarifications:

Trades executed under nominee accounts

The purpose of transaction reporting is to provide competent authorities with information about transactions. It aims at providing a representation of the transaction that informs the competent authority about all relevant circumstances under which the transaction took place.

In this respect, reference is made to paragraph 5.8 of Part II of the ESMA Guidelines on transaction reporting, order record keeping and clock synchronisation under MiFID II (ESMA/2016/1452) which can be accessed through the following [link](#) (the 'Guidelines').

Competent Authorities are interested in the underlying client for market abuse purposes rather than the owner of the legal title. Therefore, where there is a movement that results in a change in ownership for a client, the client should be reported as the buyer/seller as appropriate rather than any custodian/nominee that may hold the legal title. Hence, the transaction report would need to contain the details of the underlying client.

Should you have any queries on the above, please contact the Authority on TransactionReporting@mfsa.com.mt

Communications Unit
Malta Financial Services Authority
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