



European Securities and
Markets Authority

**Reply form for the
[DRAFT] Consultation Paper
On draft Implementing Technical Standards on main indices and
recognised exchanges under the Capital Requirements Regulation**





European Securities and
Markets Authority

Date: 29 September 2014



Responding to this paper

The European Securities and Markets Authority (ESMA) invites responses to the specific questions listed in the Consultation on draft Implementing Technical Standards on main indices and recognised exchanges under the Capital Requirements Regulation, published on the ESMA website ([here](#)).

Instructions

Please note that, in order to facilitate the analysis of the number of responses expected, you are requested to use this file to send your response to ESMA so as to allow us to process it properly. Therefore, please follow the instructions described below:

- i. use this form and send your responses in Word format;
- ii. do not remove the tags of type < ESMA_CRR_ITS_QUESTION_1> - i.e. the response to one question has to be framed by the 2 tags corresponding to the question; and
- iii. if you do not have a response to a question, do not delete it and leave the text “TYPE YOUR TEXT HERE” between the tags.

Responses are most helpful:

- i. if they respond to the question stated;
- ii. contain a clear rationale, including on any related costs and benefits; and
- iii. describe any alternatives that ESMA should consider

To help you navigate this document more easily, bookmarks are available in “Navigation Pane” for Word 2010 and in “Document Map” for Word 2007.

Responses must reach us by **1 November 2014**.

All contributions should be submitted online at www.esma.europa.eu under the heading ‘Your input/Consultations’.

Publication of responses

All contributions received will be published following the end of the consultation period, unless otherwise requested. **Please clearly indicate by ticking the appropriate checkbox in the website submission form if you do not wish your contribution to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.** Note also that a confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading ‘Disclaimer’.



Q1: Do you agree with the criteria proposed for an absolute test? If not what criteria would you propose?

<ESMA_CRR_ITS_QUESTION_1>
TYPE YOUR TEXT HERE
<ESMA_CRR_ITS_QUESTION_1>

Q2: Do you agree with the criteria proposed for a relative test? If not what criteria would you propose?

<ESMA_CRR_ITS_QUESTION_2>
TYPE YOUR TEXT HERE
<ESMA_CRR_ITS_QUESTION_2>

Q3: Do you believe that there are convertible bond indices that should be specified as main indices? If so please provide details and evidence in support.

<ESMA_CRR_ITS_QUESTION_3>
TYPE YOUR TEXT HERE
<ESMA_CRR_ITS_QUESTION_3>

Q4: Do you believe that for equities the list should include both those that meet the absolute test and those that meet the relative test? If not which test do you think should be used?

<ESMA_CRR_ITS_QUESTION_4>
TYPE YOUR TEXT HERE
<ESMA_CRR_ITS_QUESTION_4>

Q5: Do you agree with the list of indices in the Annex? If you believe there should be additions please provide details, say what criteria they meet, and provide evidence in support.

<ESMA_CRR_ITS_QUESTION_5>
MSCI would like to thank ESMA for recognizing the MSCI World Index as a “main index” representing global developed equity markets with regards to the CRR. The important points in defining a main index which ESMA highlights such as liquidity and free-float market capitalization are indeed at the centre of the methodology that MSCI uses to construct its indexes. The MSCI index methodology documents are available on www.msci.com.

Core to the MSCI Index methodology documents are numerous investability screens on equity securities such as a Minimum Size Requirement, Minimum Free Float-Adjusted Market Capitalization Requirement, Minimum Liquidity Requirement, Minimum Foreign Inclusion Factor Requirement and a Minimum Length of Trading Requirement. Together these size and liquidity screens aim to ensure that the securities that comprise any given MSCI standard equity index are sufficiently large and sufficiently liquid as to be considered investable by market participants. The purpose of these screens is to create an index representing a measure of the market that can be used for benchmarking or investment purposes, not to select shares according to their liquidity.

<ESMA_CRR_ITS_QUESTION_5>

Q6: Do you agree with ESMA’s approach on how to specify recognised exchanges? Please give reasons for your answer

<ESMA_CRR_ITS_QUESTION_6>
TYPE YOUR TEXT HERE
<ESMA_CRR_ITS_QUESTION_6>



Q7: Do you agree with the concrete list of recognised exchanges as proposed?

<ESMA_CRR_ITS_QUESTION_7>

TYPE YOUR TEXT HERE

<ESMA_CRR_ITS_QUESTION_7>