(13)

Investment firms often conduct, on own account or on behalf of clients, transactions in derivatives and other financial instruments or assets that are composed by a number of interlinked, contingent trades. Such package transactions enable investment firms and their clients to better manage their risks with the price of each component of the package transaction reflecting the overall risk profile of the package rather than the prevailing market price of each component. Package transactions can take various forms, such as exchange for physicals, trading strategies executed on trading venues or bespoke package transactions and it is important to take those specificities into account when calibrating the applicable transparency regime. It is therefore appropriate to specify for the purpose of this Regulation the conditions for applying deferrals from post-trade transparency to package transactions. Such arrangements should not be available for transactions which hedge financial instruments conducted in the normal course of the business.

(14)

Exchange for physicals are an integral part of financial markets, allowing market participants to organise and execute exchange-traded derivatives transactions which are linked directly to a transaction in the underlying physical market. They are widely used and they involve a multitude of actors, such as farmers, producers, manufacturers and processors of commodities. Typically an exchange for physical transaction will take place when a seller of a physical asset seeks to close out hiscorresponding hedging position in a derivative contract with the buyer of the physical asset, when the latter happens to also hold a corresponding hedge in the same derivative contract. They therefore facilitate the efficient closing out of hedging positions which are not necessary anymore.