

Commission Delegated Regulation (EU) 2017/589 of 19 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the organisational requirements of investment firms engaged in algorithmic trading (Text with EEA relevance)

CHAPTER I

GENERAL ORGANISATIONAL REQUIREMENTS

- Article 1 General organisational requirements(Article 17(1) of Directive 2014/65/EU)
- Article 2 Role of the compliance function(Article 17(1) of Directive 2014/65/EU)
- Article 3 Staffing(Article 17(1) of Directive 2014/65/EU)
- Article 4 IT outsourcing and procurement(Article 17(1) of Directive 2014/65/EU)

CHAPTER II

RESILIENCE OF TRADING SYSTEMS

SECTION I

Testing and deployment of trading algorithms systems and strategies

- Article 5 General methodology(Article 17(1) of Directive 2014/65/EU)
- Article 6 Conformance testing(Article 17(1) of Directive 2014/65/EU)
- Article 7 Testing environments(Article 17(1) of Directive 2014/65/EU)
- Article 8 Controlled deployment of algorithms(Article 17(1) of Directive 2014/65/EU)

SECTION 2

Post-deployment management

- Article 9 Annual self-assessment and validation(Article 17(1) of Directive 2014/65/EU)
- Article 10 Stress testing(Article 17(1) of Directive 2014/65/EU)
- Article 11 Management of material changes(Article 17(1) of Directive 2014/65/EU)

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- Article 12 Kill functionality(Article 17(1) of Directive 2014/65/EU)
- Article 13 Automated surveillance system to detect market manipulation(Article 17(1) of Directive 2014/65/EU)

Changes to legislation: There are outstanding changes not yet made to Commission Delegated Regulation (EU) 2017/589. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) EUR 2017 No. 589 may be subject to amendment by EU Exit Instruments made by both the Prudential Regulation Authority and the Financial Conduct Authority under powers set out in The Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 2, 3, Sch. Pt. 4. These amendments are not currently available on legislation.gov.uk. Details of relevant amending instruments can be found on their website/s. (See end of Document for details) View outstanding changes

Article 14	Business continuity arrangements(Article 17(1) of Directive 2014/65/EU)
Article 15	Pre-trade controls on order entry(Article 17(1) of Directive 2014/65/EU)
Article 16	Real-time monitoring(Article 17(1) of Directive 2014/65/EU)
Article 17	Post-trade controls(Article 17(1) of Directive 2014/65/EU)
Article 18	Security and limits to access(Article 17(1) of Directive 2014/65/EU)

CHAPTER III

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Article 19	General provisions for DEA(Article 17(5) of Directive 2014/65/EU)
Article 20	Controls of DEA providers(Article 17(5) of Directive 2014/65/EU)
Article 21	Specifications for the systems of DEA providers(Article 17(5) of Directive 2014/65/EU)
Article 22	Due diligence assessment of prospective DEA clients(Article 17(5) of Directive 2014/65/EU)
Article 23	Periodic review of DEA clients(Article 17(5) of Directive 2014/65/EU)

CHAPTER IV

INVESTMENT FIRMS ACTING AS GENERAL CLEARING MEMBERS

Article 24	Systems and controls of investment firms acting as general clearing members(Article 17(6) of Directive 2014/65/EU)
Article 25	Due diligence assessments of prospective clearing clients(Article 17(6) of Directive 2014/65/EU)
Article 26	Position limits(Article 17(6) of Directive 2014/65/EU)
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CHAPTER V

HIGH-FREQUENCY ALGORITHMIC TRADING TECHNIQUE AND FINAL PROVISIONS

Article 28	Content and format of order records(Article 17(2) of Directive 2014/65/EU)
Article 29	Entry into force and application(Article 17(2) of Directive 2014/65/EU) Signature

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ANNEX I

Criteria to be considered in the investment firm's self-assessment as referred to in Article 9(1)

When considering the nature of its business, an investment firm...

ANNEX II

Content and format of order records as referred to in Article 28

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- (1) [OJ L 173, 12.6.2014, p. 349](#).
- (2) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC ([OJ L 173, 12.6.2014, p. 1](#)).
- (3) Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ([OJ L 173, 12.6.2014, p. 84](#)).
- (4) Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ([OJ L 331, 15.12.2010, p. 84](#)).

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Changes and effects yet to be applied to :

- Regulation power to amend conferred by [S.I. 2018/1115 Sch. Pt. 4 para. 172](#)
- Regulation power to modify conferred by [2023 c. 29 s. 3 Sch. 1 Pt. 3](#)
- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 3](#)