
DRAFT STATUTORY INSTRUMENTS

2018 No.

The Markets in Financial Instruments
(Amendment) (EU Exit) Regulations 2018

PART 4

Amendment of EU Regulations

CHAPTER 2

Commission Delegated Regulation 2017/565

Algorithmic trading and electronic access

41.—(1) In Article 18—

- (a) omit the sub-heading in brackets;
- (b) for “Article 4(1)(39) of [Directive 2014/65/EU](#)” substitute “regulation 2(1) of the Markets in Financial Instruments Regulations 2017”.

(2) In Article 19—

- (a) omit the sub-heading in brackets;
- (b) in paragraph 1, in the opening words, for “in accordance with Article 4(1)(40) of [Directive 2014/65/EU](#)” substitute “for the purposes of the definition of “high-frequency algorithmic trading technique” in regulation 2(1) of the Markets in Financial Instruments Regulations 2017(1) and regulation 3(1) of the Recognition Requirements Regulations”;
- (c) in paragraph 2, for “the criteria in Article 17(4) of [Directive 2014/65/EU](#)” substitute “the criteria described in paragraph 2A.”;
- (d) after paragraph 2, insert—

“**2A** A market making strategy satisfies the criteria in this paragraph where the strategy (pursued by the investment firm as a member or participant in one or more trading venues), when dealing on own account, involves posting firm, simultaneous two-way quotes of comparable size and at competitive prices relating to one or more financial instruments on a single trading venue or across different trading venues, with the result of providing liquidity on a regular and frequent basis to the overall market.”;

- (e) in paragraph 4, insert at the end “(and for the purposes of this paragraph, “DEA” means “direct electronic access” as defined in regulation 2(1) of the Markets in Financial Instruments Regulations 2017)”.

(3) In Article 20—

- (a) omit the sub-heading in brackets;

(1) [S.I. 2017/701](#). The definition of “high-frequency algorithmic trading technique” was inserted by these regulations.

- (b) for “Article 4(1)(41) of [Directive 2014/65/EU](#)” substitute “the definition of “direct electronic access in regulation 2(1) of the Markets in Financial Instruments Regulations 2017”.