Chapter 6

Systematic internalisers



6.1 **Application**

Who and what?

6.1.1

- MAR 6.3A (Quality of execution) and MAR 6.4A (Quotes in respect of nonequity instruments) apply to the following firms when dealing in the United Kingdom:
 - (1) a MiFID investment firm which is a systematic internaliser; or
 - (2) a third country investment firm which is a systematic internaliser.

[Note: article 35(8) of MiFID]

6.1.2 R The systematic internaliser reporting requirement in ■ MAR 6.4.1 R applies to an investment firm which is authorised by the FCA.

[Note: articles 15(1) and 18(4) of MiFIR]

Status of EU provisions as rules in certain instances

- 6.1.3 R [deleted]
- 6.1.4 R ■ GEN 2.2.22AR applies to ensure that a third country investment firm should not be treated in a more favourable way than an EEA firm.



G.2.1 G The purpose of this chapter is to implement article 27(3)of *MiFID*, which deals with the requirements on *systematic internalisers*to make available to the public data relating to the quality of execution of transactions. It also provides a *rule* (■ MAR 6.4.1R)requiring *investment firms* to notify the *FCA* when they become, or cease to be, a *systematic internaliser*, and which gives effect to articles 15(1) and 18(4) of *MiFIR*. Finally, ■ MAR 6.4A.1R makes clear that a *firm* is not subject to the publication obligations of article 18 of *MiFIR* if it satisfies the conditions set out in that *rule*.

6.3

EU

Criteria for determining whether an investment firm is a systematic 6.3 internaliser [deleted]



6.3A Quality of execution

- 6.3A.1 R A systematic internaliser must make available the data in MAR 6.3A.2R to the public in the following manner:
 - (1) at least on an annual basis; and
 - (2) without any charges.
- **6.3A.2** R MAR 6.3A.1R applies to data relating to the quality of execution of transactions on that venue, including details about price, costs, speed and likelihood of execution for individual *financial instruments*.

[Note: article 27(3) of MiFID, MiFID RTS 27 and MiFID RTS 28]



6.4 Systematic internaliser reporting requirement

- 6.4.1 An investment firmmust promptly notify the FCA in writing of its status as a systematic internaliser:
 - (1) when it gains that status; or
 - (2) if it ceases to have that status.

[Note:articles 15(1) and 18(4) of MiFIR]

6.4.2 G The notification under ■ MAR 6.4.1 R can be addressed to the *firm's* usual supervisory contact at the FCA.



6.4A Quotes in respect of non-equity instruments

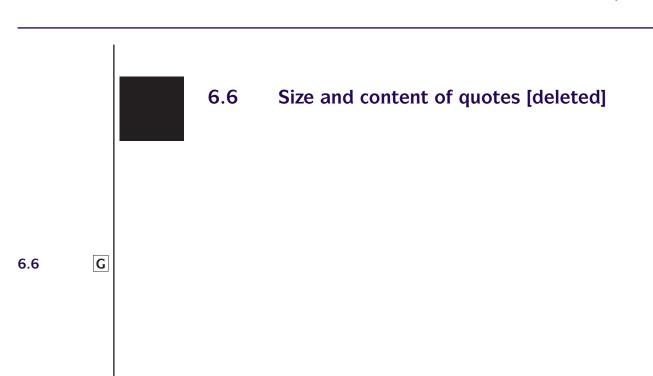
- 6.4A.1 R An *investment firm* is not subject to the publication obligations of article 18 of *MiFIR* if:
 - (1) it makes an assessment in writing certifying that it meets the conditions specified and measures adopted under article 9 of *MiFIR* for the waiver; and
 - (2) the FCA has not objected to the assessment.

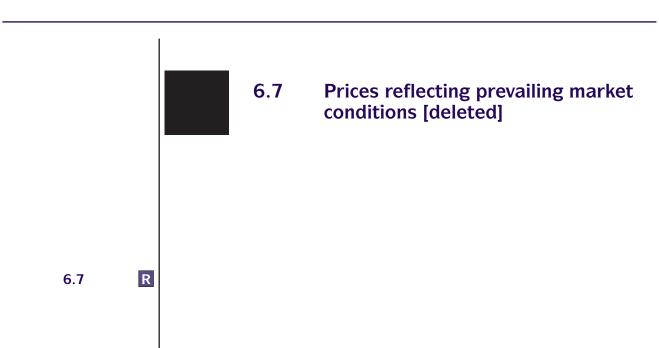


Obligations on systematic internalisers in shares to make 6.5 public firm quotes [deleted]

6.5

R





6



