

Chapter 6

Systematic internalisers

6.1 Application

Who and what?

6.1.1 **R** ■ MAR 6.3A (Quality of execution) and ■ MAR 6.4A (Quotes in respect of non-equity 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*.



6.2 Purpose

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The purpose of this chapter is to implement article 27(3) of *MiFID*, which deals with the requirements on *systematic internaliser*s 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 Criteria for determining whether an investment firm is a systematic internaliser [deleted]


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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 **R** An *investment firm* must 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

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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.



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

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6.6 Size and content of quotes [deleted]

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6.7 Prices reflecting prevailing market conditions [deleted]



6.8 Liquid market for shares, share class, standard market size and relevant market [deleted]

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6.9 Publication of quotes [deleted]

		6.10	Execution price of retail client orders [deleted]
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Execution price of professional client orders [deleted]



6.12 Execution price of client orders not matching quotation sizes [deleted]

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6.13 Standards and conditions for trading [deleted]



6.14 Limiting risk of exposure to multiple transactions [deleted]

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