

Chapter 29

Commission Delegated Regulation (EU) 2017/589



Article 1 General organisational
requirements(Article 17(1) of Directive
2014/65/EU)

As part of its overall governance and decision making framework, an investment firm shall establish and monitor its trading systems and trading algorithms through a clear and formalised governance arrangement, having regard to the nature, scale and complexity of its business and setting out:

- (a) clear lines of accountability, including procedures to approve the development, deployment and subsequent updates of trading algorithms and to solve problems identified when monitoring trading algorithms;
- (b) effective procedures for the communication of information within the investment firm, such that instructions can be sought and implemented in an efficient and timely manner;
- (c) a separation of tasks and responsibilities of trading desks on the one hand and supporting functions, including risk control and compliance functions, on the other, to ensure that unauthorised trading activity cannot be concealed.