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Additional Information

Level 1 Regulation

Markets in Financial Instruments Directive II (MiFID II) Directive 2014/65/EU- Secondary Markets

Topic

Tick size regime

Subject Matter

Tick size regime - Periodic auctions systems

Question

Are periodic auctions systems subject to the tick size regime?

ESMA Answer

02-10-2019

Original language

[ESMA 70-872942901-38 MiFID II MiFIR market structures Q&A, Q&A 4.11]

Yes, periodic auction trading systems are subject to the tick size regime defined under Article 49 of MiFID II and further specified under CDR (EU) 2017/588. Therefore, market operators and investment firms operating such trading systems need to ensure that orders are submitted and that transactions are executed at a price that is in line with the mandatory tick size regime. For periodic auction systems that do not benefit from a reference price waiver, this prohibits the execution of transactions at a price that corresponds to the mid-point in cases where the spread consists of an uneven number of ticks.