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Additional Information

Level 1 Regulation
Markets in Financial Instruments Directive II (MiFID II) Directive 2014/65/EU- Secondary Markets

Topic
Ancillary activity

Subject Matter
Authorisation for dealing in commodity derivatives

Question
Do all legal entities that deal in commodity derivatives within a financial group need to be individually authorised as investment firms?

ESMA Answer

19-12-2016

Original language

[ESMA 70-872942901-36 Commodity derivatives Q&A, Q&A 3.1]

Yes. Under Article 2(1)(j), the exemption for trading in commodity derivatives only applies when the main business of the group is considered on an overall basis not to be the provision of in-vestment services within the meaning of this Directive or banking activities under Directive 2013/36/EU.

Therefore, all entities within a group which cannot be considered as a non-financial group are required to obtain authorisation as an investment firm under MiFID II if they wish to trade commodity derivatives.