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Additional Information

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

Level 2 Regulation
Regulation 2017/565 - MiFID II Delegated Regulation

Topic
Direct Electronic Access and algorithmic trading

Subject Matter
Algorithmic trading

Question

If an investment firm (firm A) merely transmits a client’s order for execution to another investment firm (firm B) who uses algorithmic trading, is investment firm A engaged in algorithmic trading?

ESMA Answer

19-12-2016

Original language

[ESMA 70-872942901-38 MiFID II MiFIR market structures Q&A, Q&A 3.2]

No. The transmission of an order for execution to another investment firm without performing any algorithmic trading activity is not algorithmic trading.