ESMA_QA_1603

Submission Date
03/04/2017

Status: Answer Published

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

Level 3 Regulation
ESMA70-872942901-38 - Q&A on MiFID II and MiFIR market structures topics

Topic
Direct Electronic Access and algorithmic trading

Subject Matter
Algorithmic trading

Question

When would an investment firm using only algorithms which draw human traders' attention to trading opportunities qualify as engaged in algorithmic trading?

ESMA Answer

03-04-2017

Original language

[ESMA 70-872942901-38 MiFID II MiFIR market structures Q&A, Q&A 3.7]

The use of algorithms which only serve to inform a trader of a particular investment opportunity is not considered as algorithmic trading, provided that the execution is not algorithmic.