

**Submission Date**

04/10/2018

# ESMA\_QA\_1640

Status: Answer Published

## **Additional Information**

---

### **Level 1 Regulation**

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

### **Topic**

Multilateral and bilateral systems

## **Subject Matter**

Can a market operator or an investment firm operating an MTF apply for a single segment of the MTF to be registered as an SME growth market?

## **Question**

Can a market operator or an investment firm operating an MTF apply for a single segment of the MTF to be registered as an SME growth market?

04-10-2018

Original language

[ESMA 70-872942901-38 MiFID II MiFIR market structures Q&A, Q&A 5.8]

The operator of an MTF can apply for a segment of the MTF to be registered as an SME growth market when the requirements and criteria set out in Article 33 of MiFID II and Articles 77 and 78 of the Commission Delegated Regulation 2017/565 are met in respect of that segment. A specific segment registered as an SME growth market should be considered in isolation to other segments within the MTF. Other segments which are not specifically registered as an SME GM, cannot benefit from the SME growth market regime. For this purpose the following conditions should apply:

- An SME growth market segment is clearly separated from the other market segments operated by the MTF operator. Clear separation implies at least a different name, rulebook, marketing strategy, and publicity as well as the allocation of the dedicated “Segment MIC” to the SME GM segment.
- Trades made on a specific SME growth market segment should be clearly distinguished from other market activity within the other segments of the MTF.

Furthermore, on demand of the competent authority and with the aim of avoiding circumvention of the definition of an SME growth market, the MTF should provide a comprehensive list of the instruments listed on an SME growth market segment and provide any further requested information on the operation of the SME growth market segment.