

Organised trading facilities (OTFs)

Chapter 5AA

Multilateral systems



5AA.1

Operation of a multilateral system as an MTF or OTF

5AA.1.1

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Where a *firm* operates a *multilateral system* from an establishment in the *United Kingdom* it must operate it as a *multilateral trading facility* or an *organised trading facility*.

[Note: article 1(7) of *MiFID*]

5AA.1.2

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In our view, any system that merely receives, pools, aggregates and broadcasts indications of interest, bids and offers or prices should not be considered a *multilateral system*. This means that a bulletin board should not be considered a *multilateral system*. The reason is that there is no reaction of one trading interest to another other within these types of facilities. However, operating such a facility may amount to performing the activity of *making arrangements with a view to transactions in investments* (see ■ PERG 2.7.7BG).