Market conduct

Chapter 7A

Algorithmic trading

MAR 7A : Algorithmic trading

 7A.4.2 R Systems and controls A firm must have in place systems and controls which: ensure it conducts an assessment and review of the suitability of <i>clients</i> using the service; prevent <i>clients</i> using the service from exceeding appropriate press trading and credit thresholds; prevent trading by <i>clients</i> which: may create risks to the <i>firm</i>; or may create, or contribute to, a disorderly market; or could be contrary to the <i>Market Abuse Regulation</i> or the rule the <i>trading venue</i>. 7A.4.3 R Client dealings A firm must monitor the transactions made by <i>clients</i> using the service to identify: a infringements of the rules of the <i>trading venue</i>; or d) disorderly trading conditions; or conduct which may involve <i>market abuse</i> and which is to be reported to the <i>FCA</i>. 			7A.4 Requirements when providing direct electronic access
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		(b) states that the <i>firm</i> is responsible for ensuring the <i>client</i> complies with the requirements of <i>MiFID</i> and the rules of the <i>trading</i> <i>venue</i> .
		[Note: article 17(5) of <i>MiFID</i>] Notifications
7A.4.4	R	Notifications A <i>firm</i> must immediately notify the FCA if it is providing DEA services. [Note: article 17(5) of <i>MiFID</i> and <i>MiFID RTS 6</i> specifying the organisational requirements of <i>investment firms</i> providing <i>direct electronic access</i>]
7A.4.5	R	A <i>firm</i> must provide the following, at the FCA's request, within 14 days from receipt of the request:
		(1) a description of the systems mentioned in MAR 7A.4.2R(1);
		(2) evidence that those systems have been applied; and
		(3) information stored in accordance with MAR 7A.4.6R.
		[Note: article 17(5) of <i>MiFID</i>]
7A.4.6	R	Record keeping A <i>firm</i> must arrange for records to be kept:
		(1) on the matters referred to in ■ MAR 7A.4.2R in relation to its systems and controls; and
		(2) in order to enable it to meet any requirement imposed on it under■ MAR 7A.4.5R.
		[Note: article 17(5) of <i>MiFID</i>]

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