

## Chapter 6

# Systematic internalisers

## 6.1 Application

### Who and what?

**6.1.1** **R** ■ MAR 6.3A (Quality of execution) and ■ MAR 6.4A (Quotes in respect of non-equity instruments) apply to the following *firms* when dealing in the *United Kingdom*:

(1) a *MiFID investment firm* which is a *systematic internaliser* ; or

(2) a *third country investment firm* which is a *systematic internaliser* .

[Note: article 35(8) of *MiFID*]

**6.1.2** **R** The *systematic internaliser* reporting requirement in ■ MAR 6.4.1 R applies to an *investment firm* which is authorised by the *FCA* .

[Note: articles 15(1) and 18(4) of *MiFIR*]

### Status of EU provisions as rules in certain instances

**6.1.3** **R** [deleted]

**6.1.4** **R** ■ GEN 2.2.22AR applies to ensure that a *third country investment firm* should not be treated in a more favourable way than an *EEA firm*.



## 6.2 Purpose

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The purpose of this chapter is to implement article 27(3) of *MiFID*, which deals with the requirements on *systematic internaliser*s to make available to the public data relating to the quality of execution of transactions. It also provides a *rule* (■ MAR 6.4.1R) requiring *investment firms* to notify the *FCA* when they become, or cease to be, a *systematic internaliser*, and which gives effect to articles 15(1) and 18(4) of *MiFIR*. Finally, ■ MAR 6.4A.1R makes clear that a *firm* is not subject to the publication obligations of article 18 of *MiFIR* if it satisfies the conditions set out in that *rule*.



**6.3** Criteria for determining whether an investment firm is a systematic internaliser [deleted]

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**6.3A Quality of execution**

6.3A.1 **R** [deleted]

6.3A.2 **R** [deleted]

## 6.4 Systematic internaliser reporting requirement

**6.4.1** **R** An *investment firm* must promptly notify the *FCA* in writing of its status as a *systematic internaliser* :

- (1) when it gains that status; or
- (2) if it ceases to have that status.

[**Note:** articles 15(1) and 18(4) of *MiFIR*]

**6.4.2** **G** The notification under **MAR 6.4.1 R** can be addressed to the *firm's* usual supervisory contact at the *FCA* .



## 6.4A Quotes in respect of non-equity instruments

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An *investment firm* is not subject to the publication obligations of article 18 of *MiFIR* if:

- (1) it makes an assessment in writing certifying that it meets the conditions specified and measures adopted under article 9 of *MiFIR* for the waiver; and
- (2) the *FCA* has not objected to the assessment.

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**6.5 Obligations on systematic internalisers in shares to make public firm quotes [deleted]**

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**6.6 Size and content of quotes [deleted]**

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**6.7** Prices reflecting prevailing market conditions [deleted]

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**6.8** Liquid market for shares, share class, standard market size and relevant market [deleted]

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6.9 Publication of quotes [deleted]

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			<b>6.10</b>	<b>Execution price of retail client orders [deleted]</b>
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Execution price of professional client orders [deleted]



**6.12 Execution price of client orders not matching quotation sizes [deleted]**

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**6.13 Standards and conditions for trading [deleted]**





**6.14**      **Limiting risk of exposure to multiple transactions [deleted]**

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