

Chapter 15

Commission Delegated Regulation (EU) 2017/575

Article 2 Definitions

For the purposes of this Regulation, the following definitions shall apply:

- (a) trading system means the way in which an execution venue executes orders as continuous auction order book, continuous quote driven, request for quote, periodic auction or any hybrid system falling into two or more of these categories or into a system where the price determination process is of a different nature than that applicable to the types of system set out above;
- (b) "Size Specific to the financial instrument" means size specific to a bond, structured finance product, emission allowance or derivative traded on a trading venue, for which there is not a liquid market and where the transaction in those instruments is subject to deferred publication in accordance with Article 11 of Regulation (EU) No 600/2014;
- (c) Large in Scale means an order large in scale in accordance with Article 7 and 11 of Regulation (EU) No 600/2014;
- (d) failed transaction means a transaction that was voided by the execution venue;
- (e) price multiplier means the number of units of the underlying instrument represented by a single derivative contract;
- (f) price notation means an indication as to whether the price of the transaction is expressed in monetary value, in percentage or in yield;
- (g) quantity notation means an indication as to whether the quantity of the transaction is expressed in number of units or in nominal value or in monetary value;
- (h) delivery type means an indication as to whether the financial instrument is settled physically or in cash including instances when the counterparty may choose or when it is determined by a third party;
- (i) trading mode means scheduled opening, closing or intra-day auction, unscheduled auction, trading at close, trading out of main session, or trade reporting;

(j) trading platform means the type of platform the execution venue operates: electronic, voice or outcry;

(k) book depth means the total available liquidity expressed as the product of price and volume of all bids and offers for a specified number of price increments from the mid-point of the best bid and offer;

(l) average effective spread means the average of twice the difference between the actual execution price compared with mid-point of best bid and offer at time of receipt, for market orders or marketable limit orders;

(m) average speed of execution for unmodified passive orders at best bid and offer means the average time elapsed between a limit order that matches the best bid and offer being received by the execution venue, and the subsequent execution of this order;

(n) aggressive order means an order entered into the order book that took liquidity;

(o) "passive order" means an order entered into the order book that provided liquidity;

(p) immediate or cancel order means an order which is executed upon its entering into the order book and which does not remain in the order book for any remaining quantity that has not been executed;

(q) fill or kill order means an order which is executed upon its entering into the order book provided that it can be fully filled. In the event the order can only be partially executed, then it is automatically rejected and is not executed.