

Chapter 18

Commission Delegated Regulation (EU) 2017/578

Article 1 Obligation for investment firms to enter into a market making agreement

(1) Investment firms shall enter into a market making agreement regarding the financial instrument or instruments in which they pursue a market making strategy with the trading venue or venues at which this strategy takes place where, during half of the trading days over a one month period, in execution of the market making strategy, they:

(a) post firm, simultaneous two-way quotes of comparable size and competitive prices

(b) deal on their own account in at least one financial instrument on one trading venue for at least 50 % of the daily trading hours of continuous trading at the respective trading venue, excluding opening and closing auctions.

(2) For the purposes of paragraph 1:

(a) a quote shall be deemed to be a firm quote where it includes orders and quotes that under the rules of a trading venue can be matched against an opposite order or quote;

(b) quotes shall be deemed simultaneous two-way quotes if they are posted in such a way that both the bid and the ask-price are present in the order book at the same time;

(c) two quotes shall be deemed of comparable size when their sizes do not diverge by more than 50 % from each other;

(d) quotes shall be deemed to have competitive prices where they are posted at or within the maximum bid-ask range set by the trading venue and imposed upon every investment firm that has signed a market making agreement with that trading venue.