

## **Chapter 24**

# **Commission Delegated Regulation (EU) 2017/584**

Article 4 Compliance function within the  
governance arrangements(Article 48(1) of  
Directive 2014/65/EU)

(1) Trading venues shall ensure that their compliance function is responsible for:

- (a) providing clarity to all staff involved in algorithmic trading about the trading venues' legal obligations with respect to such trading;
- (b) developing and maintaining the policies and procedures to ensure that the algorithmic trading systems comply with those obligations.

(2) Trading venues shall ensure that their compliance staff has at least a general understanding of the way in which algorithmic trading systems and algorithms operate.

The compliance staff shall be in continuous contact with persons within the trading venue who have detailed technical knowledge of the venue's algorithmic trading systems or algorithms.

Trading venues shall also ensure that compliance staff have, at all times, direct contact with persons who have access to the functionality referred to in Article 18(2)(c) ("kill functionality") or access to that kill functionality and to those who are responsible for the algorithmic trading system.

(3) Where the compliance function, or elements thereof, is outsourced to a third party, trading venues shall provide the third party with the same access to information as they would to their own compliance staff. Trading venues shall enter into an agreement with such compliance consultants, ensuring that:

- (a) data privacy is guaranteed;
- (b) auditing of the compliance function by internal and external auditors or by the competent authority is not hindered.