

## **Chapter 27**

# **Commission Delegated Regulation (EU) 2017/587**

Article 4 Most relevant market in terms of  
liquidity (Article 4(1)(a) of Regulation (EU)  
No 600/2014)

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(1) For the purposes of Article 4(1)(a) of Regulation (EU) No 600/2014, the most relevant market in terms of liquidity for a share, depositary receipt, ETF, certificate or other similar financial instrument shall be considered to be the trading venue with the highest turnover within the relevant area for that financial instrument.

(2) For the purpose of determining the most relevant markets in terms of liquidity in accordance with paragraph 1, the FCA shall calculate the turnover in accordance with the methodology set out in Article 17(4) in respect of each financial instrument that is traded on a UK trading venue and for each trading venue in the relevant area where that financial instrument is traded.

(3) The calculation referred to in paragraph 2 shall have the following characteristics:

(a) it shall include, for each trading venue in the relevant area, transactions executed under the rules of that trading venue excluding:

in the case of UK trading venues, reference price and negotiated transactions flagged as set out in Table 4 of Annex I and transactions executed on the basis of at least one order that has benefitted from a large-in-scale waiver and where the transaction size is above the applicable large-in-scale threshold as determined in accordance with Article 7; and

in the case of non-UK trading venues, transactions benefitting from any similar relief in the form of transparency waivers or otherwise;

it shall cover either the preceding calendar year or, where applicable, the period of the preceding calendar year during which the financial instrument was admitted to trading or traded on a UK trading venue and was not suspended from trading.

(4) Until the most relevant market in terms of liquidity for a specific financial instrument is determined in accordance with the procedure specified in paragraphs 1 to 3, the most

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relevant market in terms of liquidity shall be the trading venue in the relevant area where that financial instrument is first admitted to trading or first traded.

(5) Paragraphs 2 and 3 shall not apply to shares, depositary receipts, ETFs, certificates and other similar financial instruments which were first admitted to trading or first traded on a UK trading venue four weeks or less before the end of the preceding calendar year.