

Chapter 28

Commission Delegated Regulation (EU) 2017/588

Article 2 Tick size for shares, depositary
receipts and exchange-traded funds(Article
49(1) and (2) of Directive 2014/65/EU)

(1) Trading venues shall apply to orders in shares or depositary receipts a tick size which is equal to or greater than the one corresponding to:

- (a) the liquidity band in the table in the Annex corresponding to average daily number of transactions in the most relevant market in terms of liquidity for that instrument; and
- (b) the price range in that liquidity band corresponding to the price of the order.

(2) By way of derogation from paragraph 1(a), where the most relevant market in terms of liquidity for a share or depositary receipt operates only a trading system that matches orders on the basis of a periodic auction and a trading algorithm operated without human intervention, trading venues shall apply the liquidity band corresponding to the lowest average daily number of transactions in the table in the Annex.

(3) Trading venues shall apply to orders in exchange-traded funds a tick size which is equal to or greater than the one corresponding to:

- (a) the liquidity band in the table in the Annex corresponding to the highest average daily number of transactions; and
- (b) the price range in that liquidity band corresponding to the price of the order.

(4) The requirements set out in paragraph 3 shall only apply to exchange-traded funds the underlying financial instruments of which are solely equities subject to the tick size regime under paragraph 1 or a basket of such equities.