

Chapter 29

Commission Delegated Regulation (EU) 2017/589

Article 3 Staffing(Article 17(1) of Directive
2014/65/EU)

(1) An investment firm shall employ a sufficient number of staff with the necessary skills to manage its algorithmic trading systems and trading algorithms and with sufficient technical knowledge of:

- (a) the relevant trading systems and algorithms;
- (b) the monitoring and testing of such systems and algorithms;
- (c) the trading strategies that the investment firm deploys through its algorithmic trading systems and trading algorithms;
- (d) the investment firm's legal obligations

(2) An investment firm shall specify the necessary skills referred to in paragraph 1. The staff referred to in paragraph 1 shall have those necessary skills at the time of recruitment or shall acquire them through training after recruitment. The investment firm shall ensure that those staff's skills remain up-to-date through continuous training and shall evaluate their skills on a regular basis.

(3) The staff training referred to in paragraph 2 shall be tailored to the experience and responsibilities of the staff, having regard to the nature, scale and complexity of the investment firms' activities. In particular, staff involved in order submission shall receive training on order submission systems and market abuse.

(4) An investment firm shall ensure that the staff responsible for the risk and compliance functions of algorithmic trading have:

- (a) sufficient knowledge of algorithmic trading and strategies;
- (b) sufficient skills to follow up on information provided by automatic alerts;
- (c) sufficient authority to challenge staff responsible for algorithmic trading where such trading gives rise to disorderly trading conditions or suspicions of market abuse.