

# MiFID II Wholesale Firms Conference

## 19 October 2015, ExCeL

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# Breakout session: Trading Venues & Systematic Internalisers

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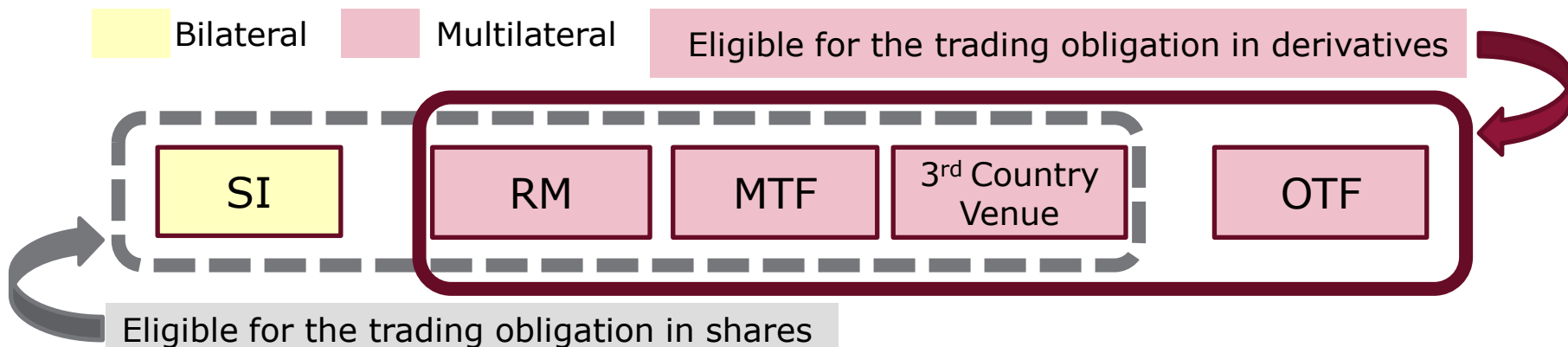
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# Agenda

- Perimeter and the new market structure
- New obligations for RMs and MTFs
- Organised Trading Facilities
- OTC Trading & Systematic Internalisers
- Authorisation

# Perimeter and the new market structure

- New concept of **multilateral system**
- Wider perimeter by including **discretionary systems**
- **Trading mandates** for shares and derivatives
- **Expansion** of the SI regime to equity-like and non-equities



# Regulated markets

- The regime for regulated markets is broadly maintained under MiFID II
- Operation of an OTF by a regulated market
- New requirements for the management body
- Constraints on the use of proprietary capital
- Obligation to clear derivatives

# MTFs

- Eligible venues for any financial instrument and for the trading mandates
- Multilateral internal matching systems in equities to be regulated as MTFs
- Ban on proprietary trading, including matched principal trading
- SME growth markets

# OTFs

- A new concept of hybrid trading venue
- Conduct of business obligations
- Access
- Limited restrictions on proprietary trading, including matched principal

# OTC trading & systematic internalisers

- Restrictions on broker crossing systems
- Two different regimes for equities and non-equities
- Quoting obligations
- Data challenges ahead of 2017



# Authorisation

- Business planning
- Timeframes
- Communication and engagement

# Summary and closing remarks

- Wider regulatory perimeter with the aim to increase the level of organised trading
- OTFs will bring within the regulatory perimeter different types of execution venues
- Investment firms dealing on own account on an organised, frequent systematic and substantial basis will be subject to the SI regime across a wide set of financial instruments
- Firms should consider at the earliest possible stage whether their activities will require new permissions, and if so factor the associated authorisation process into their business planning.

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# Questions?

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