

Transposition Note: Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments

This note accompanies the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017

Abbreviations

FSMA – the Financial Services and Markets Act 2000

HMT – HM Treasury

MIFID II – Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments

MIFIR – Regulation (EU) 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments

RRR - The Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges and Clearing Houses) Regulations 2001 (S.I. 2001/995).

RRR (S) - The Schedule to the Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges and Clearing Houses) Regulations 2001.

QEPO – The Financial Services and Markets Act 2000 (Qualifying EU Provisions) Order 2013

This Transposition Note has been prepared by HM Treasury. The table below explains how the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 transpose certain provisions of MiFID II. Please note that MiFID II is based on (and repeals) Directive 2004/39/EC (MiFID I) and contains very similar (and in some cases identically worded) provisions. MiFID I has been implemented in United Kingdom law and these Regulations contain numerous minor amendments to provisions of United Kingdom law that implemented or cross-referred to MiFID I to update the references so they still function now MiFID I has been replaced. The table only sets out where the Regulations transpose substantially new provisions or obligations under MiFID II

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
Article 1(4)(b) of MiFID II	<p>The following provisions shall also apply to investment firms and to credit institutions authorised under Directive 2013/36/EU when selling or advising clients in relation to structured deposits:</p> <p>(a) ...</p> <p>(b) Articles 23 to 26, Article 28 and <u>Article 29</u>, excluding the second subparagraph of paragraph 2 thereof, and Article 30;</p> <p>[only relevant text reproduced here]</p>	<p>Paragraphs 2 and 3 of Schedule 2 amending section 39 and 39A FSMA (in relation to the underlined text)</p>	HMT
Article 1(5) of MiFID II	<p>Article 17(1) to (6) shall also apply to members or participants of regulated markets and MTFs who are not required to be authorised under this Directive pursuant to points (a), (e), (i) and (j) of Article 2(1).</p>	<p>Part 4 (see section on Article 17 for detail)</p>	HMT
Article 1(7) first sub-paragraph of MiFID II	<p>All multilateral systems in financial instruments shall operate either in accordance with the provisions of Title II concerning MTFs or OTFs or the provisions of Title III concerning regulated markets.</p>	<p>Paragraph 1(15) of Schedule 3 inserting paragraph 9ZD of the RRR (S)</p>	HMT
Article 2(1)(c) of MiFID II	<p>This Directive shall not apply to:</p> <p>(a) ...</p> <p>(b) ...</p> <p>(c) persons providing an investment service where that service is provided in an incidental manner in the course of a professional activity and that activity is regulated by legal or regulatory provisions or a code of ethics governing the profession which do not exclude the provision of that service;</p> <p>[only relevant text reproduced here]</p>	<p>Regulation 47 Paragraph 43 of Schedule 2 amending section 327 FSMA</p>	HMT
Article 3(1) of MiFID II	<p>Member States may choose not to apply this Directive to any persons for which they are the home Member State, provided that the activities of those persons are authorised and regulated at national level and those persons:</p>	<p>Regulations 4 and 6</p>	HMT

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	<p>(a) are not allowed to hold client funds or client securities and which for that reason are not allowed at any time to place themselves in debit with their clients;</p> <p>(b) are not allowed to provide any investment service except the reception and transmission of orders in transferable securities and units in collective investment undertakings and/or the provision of investment advice in relation to such financial instruments; and</p> <p>(c) in the course of providing that service, are allowed to transmit orders only to:</p> <ul style="list-style-type: none"> (i) investment firms authorised in accordance with this Directive; (ii) credit institutions authorised in accordance with Directive 2013/36/EU; (iii) branches of investment firms or of credit institutions authorised in a third country and which are subject to and comply with prudential rules considered by the competent authorities to be at least as stringent as those laid down in this Directive, in Regulation (EU) No 575/2013 or in Directive 2013/36/EU; (iv) collective investment undertakings authorised under the law of a Member State to market units to the public and to the managers of such undertakings; or (v) investment companies with fixed capital, as defined in Article 17(7) of Directive 2012/30/EU of the European Parliament and of the Council (1) the securities of which are listed or dealt in on a regulated market in a Member State; 		

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Article 3(2) of MiFID II	<p>Member States' regimes shall submit the persons referred to in paragraph 1 to requirements which are at least analogous to the following requirements under this Directive:</p> <p>(a) conditions and procedures for authorisation and on-going supervision as established in Article 5(1) and (3), Articles 7 to 10, 21, 22 and 23 and the corresponding delegated acts adopted by the Commission in accordance with Article 89;</p> <p>(b) conduct of business obligations as established in Article 24(1), (3), (4), (5), (7) and (10), Article 25(2), (5) and (6), and, where the national regime allows those persons to appoint <u>appointed agents</u>, Article 29, and the respective implementing measures;</p> <p>[only relevant text reproduced here]</p>	<p>Paragraph 2, 3 and 44 of Schedule 2 amending sections 39, 39A and 347(in relation to the underlined text)</p>	HMT
Article 4(1)(1) of MiFID II	<p>[only relevant text reproduced here]</p> <p>'investment firm' means any legal person whose regular occupation or business is the provision of one or more investment services to third parties and/or the performance of one or more investment activities on a professional basis.</p> <p>[only relevant text reproduced here]</p>	<p>Regulation 2(1)</p>	HMT
Article 4(1)(2) of MiFID II	<p>'investment services and activities' means any of the services and activities listed in Section A of Annex I relating to any of the instruments listed in Section C of Annex I.</p>	<p>Regulation 2(1) Paragraph 51(2) of Schedule 2 amending section 417 FSMA</p>	HMT
Article 4(1)(10) of MiFID II	<p>'client' means any natural or legal person to whom an investment firm provides investment or ancillary services;</p>	<p>Regulation 2(1)</p>	HMT
Article 4(1)(12) of MiFID II	<p>'SME growth market' means a MTF that is registered as an SME growth market in accordance with Article 33;</p>	<p>Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR</p>	HMT
Article 4(1)(15) of MiFID II	<p>'financial instrument' means those instruments specified in Section C of Annex I</p>	<p>Regulation 2(1)</p>	HMT

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Article 4(1)(18) of MiFID II	'market operator' means a person or persons who manages and/or operates the business of a regulated market and may be the regulated market itself;	Paragraph 1(16) of Schedule 3 amending paragraph 9A of the RRR (S)	HMT
Article 4(1)(19) of MiFID II	'multilateral system' means any system or facility in which multiple third-party buying and selling trading interests in financial instruments are able to interact in the system;	Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT
Article 4(1)(20) of MiFID II	'systematic internaliser' means an investment firm which, on an organised, frequent systematic and substantial basis, deals on own account when executing client orders outside a regulated market, an MTF or an OTF without operating a multilateral system; [Full definition text not reproduced here]	Paragraph 42(3)(d) of Schedule 2 amending section 313D FSMA Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT
Article 4(1)(22) of MiFID II	'multilateral trading facility' or 'MTF' means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with Title II of this Directive;	Paragraph 1(16) of Schedule 3 amending paragraph 9A of the RRR (S)	HMT
Article 4(1)(23) of MiFID II	'organised trading facility' or 'OTF' means a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of this Directive;	Paragraph 1(16) of Schedule 3 amending paragraph 9A of the RRR (S)	HMT
Article 4(1)(24) of MiFID II	'trading venue' means a regulated market, an MTF or an OTF;	Regulation 2(1) Paragraph 42(3)(d) of Schedule 2 amending section 313D FSMA	HMT
Article 4(1)(25) of MiFID II	'Liquid market' means a market for a financial instrument or a class of financial instruments, where there are ready and willing buyers and sellers on a continuous basis, assessed in	Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT

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	<p>accordance with the following criteria, taking into consideration the specific market structures of the particular financial instrument or of the particular class of financial instruments:</p> <p>(a) the average frequency and size of transactions over a range of market conditions, having regard to the nature and life cycle of products within the class of financial instrument;</p> <p>(b) the number and type of market participants, including the ratio of market participants to traded instruments in a particular product;</p> <p>(c) the average size of spreads, where available;</p>		
Article 4(1)(26) of MiFID II	<p>'competent authority' means the authority, designated by each Member State in accordance with Article 67, unless otherwise specified in this Directive;</p>	Regulation 2(1)	HMT
Article 4(1)(27) of MiFID II	<p>'credit institution' means a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013;</p>	Regulation 2(1)	HMT
Article 4(1)(30) of MiFID II	<p>'branch' means a place of business other than the head office which is a part of an investment firm, which has no legal personality and which provides investment services and/or activities and which may also perform ancillary services for which the investment firm has been authorised; all the places of business set up in the same Member State by an investment firm with headquarters in another Member State shall be regarded as a single branch;</p>	Regulation 2(1)	HMT
Article 4(1)(34) of MiFID II	<p>'group' means a group as defined in Article 2(11) of Directive 2013/34/EU;</p>	Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT
Article 4(1)(36) of MiFID II	<p>'management body' means the body or bodies of an investment firm, market operator or data reporting services provider, which are appointed in accordance with national law,</p>	Regulation 44(2)(b) Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT

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	<p>which are empowered to set the entity's strategy, objectives and overall direction, and which oversee and monitor management decision-making and include persons who effectively direct the business of the entity.</p> <p>Where this Directive refers to the management body and, pursuant to national law, the managerial and supervisory functions of the management body are assigned to different bodies or different members within one body, the Member State shall identify the bodies or members of the management body responsible in accordance with its national law, unless otherwise specified by this Directive;</p>	Paragraph 1 of Schedule 1	
Article 4(1)(37) of MiFID II	<p>'senior management' means natural persons who exercise executive functions within an investment firm, a market operator or a data reporting services provider and who are responsible, and accountable to the management body, for the day-to-day management of the entity, including for the implementation of the policies concerning the distribution of services and products to clients by the firm and its personnel;</p>	Paragraph 1 of Schedule 1 Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT
Article 4(1)(38) of MiFID II	<p>'matched principal trading' means a transaction where the facilitator interposes itself between the buyer and the seller to the transaction in such a way that it is never exposed to market risk throughout the execution of the transaction, with both sides executed simultaneously, and where the transaction is concluded at a price where the facilitator makes no profit or loss, other than a previously disclosed commission, fee or charge for the transaction;</p>	Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT
Article 4(1)(39) of MiFID II	<p>'algorithmic trading' means trading in financial instruments where a computer algorithm automatically determines individual parameters of orders such as whether to initiate the order, the timing, price or quantity of the order or how to manage the order</p>	Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT

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	after its submission, with limited or no human intervention, and does not include any system that is only used for the purpose of routing orders to one or more trading venues or for the processing of orders involving no determination of any trading parameters or for the confirmation of orders or the post-trade processing of executed transactions;		
Article 4(1)(40) of MiFID II	<p>'high-frequency algorithmic trading technique' means an algorithmic trading technique characterised by:</p> <p>(a) infrastructure intended to minimise network and other types of latencies, including at least one of the following facilities for algorithmic order entry: co-location, proximity hosting or high-speed direct electronic access;</p> <p>(b) system-determination of order initiation, generation, routing or execution without human intervention for individual trades or orders; and</p> <p>(c) high message intraday rates which constitute orders, quotes or cancellations;</p>	Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT
Article 4(1)(41) of MiFID II	'direct electronic access' means an arrangement where a member or participant or client of a trading venue permits a person to use its trading code so the person can electronically transmit orders relating to a financial instrument directly to the trading venue and includes arrangements which involve the use by a person of the infrastructure of the member or participant or client, or any connecting system provided by the member or participant or client, to transmit the orders (direct market access) and arrangements where such an infrastructure is not used by a person (sponsored access);	Regulation 2(1) Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT
Article 4(1)(45) of MiFID II	'depository receipts' means those securities which are negotiable on the capital market and which represent ownership of the securities of a non-domiciled issuer while being able to be	Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT

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	admitted to trading on a regulated market and traded independently of the securities of the non-domiciled issuer;		
Article 4(1)(46) of MiFID II	'exchange-traded fund' means a fund of which at least one unit or share class is traded throughout the day on at least one trading venue and with at least one market maker which takes action to ensure that the price of its units or shares on the trading venue does not vary significantly from its net asset value and, where applicable, from its indicative net asset value;	Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT
Article 4(1)(48) of MiFID II	'structured finance products' means structured finance products as defined in Article 2(1)(28) of Regulation (EU) No 600/2014;	Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT
Article 4(1)(50) of MiFID II	'commodity derivatives' means commodity derivatives as defined in Article 2(1)(30) of Regulation (EU) No 600/2014;	Regulation 2(1) Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT
Article 4(1)(57) of MiFID II	'third-country firm' means a firm that would be a credit institution providing investment services or performing investment activities or an investment firm if its head office or registered office were located within the Union;	Regulation 2(1) Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT
Article 4(1)(61) of MiFID II	'sovereign debt' means a debt instrument issued by a sovereign issuer;	Paragraph 1(2) of Schedule 3 amending regulation 3 of the RRR	HMT
Article 5(2) of MiFID II	By way of derogation from paragraph 1, Member States shall authorise any market operator to operate an MTF or an OTF, subject to the prior verification of their compliance with this Chapter. [Chapter 1 of Title II]	Paragraph 23 to 28 of Schedule 2 amending Part 15 FSMA (in relation to compliance with Article 14 of Chapter 1 of Title II) Paragraph 1(16) of Schedule 3 amending paragraph 9A of the RRR (S)	HMT
Article 5(3) of MiFID II	Member States shall register all investment firms. The register shall be publicly accessible and shall contain information on the	Paragraph 44 of Schedule 2 amending section 347 FSMA	HMT

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	<p>services or activities for which the investment firm is authorised. It shall be updated on a regular basis. Every authorisation shall be notified to ESMA.</p> <p>Where a competent authority has withdrawn an authorisation in accordance with points (b), (c) and (d) of Article 8, that withdrawal shall be published on the list for a period of five years.</p> <p>[only relevant text reproduced here]</p>		
Article 8(d) of MiFID II	<p>The competent authority may withdraw the authorisation issued to an investment firm where such an investment firm:</p> <p>(a) ...</p> <p>(b) ...</p> <p>(c) ...</p> <p>(d) has seriously and systematically infringed the provisions adopted pursuant to this Directive or Regulation (EU) No 600/2014 governing the operating conditions for investment firms;</p> <p>[the full text is not reproduced here]</p>	Paragraph 4 of Schedule 2 amending section 55K FSMA	HMT
Article 9(2) of MiFID II	<p>When granting the authorisation in accordance with Article 5, competent authorities may authorise members of the management body to hold one additional non-executive directorship than allowed in accordance with Article 91(3) of Directive 2013/36/EU. Competent authorities shall regularly inform ESMA of such authorisations.</p> <p>[full text not reproduced here]</p>	Regulation 44(3)(b)	HMT
Article 14 of MiFID II	<p>The competent authority shall verify that any entity seeking authorisation as an investment firm meets its obligations under Directive 97/9/EC at the time of authorisation.</p>	Paragraph 23 to 28 of Schedule 2 amending Part 15 FSMA (transposing Article 14 as it applies for the purposes of Article 5(2))	HMT

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<p>Article 17.1 (as applied by Article 1.5) of MiFID II</p>	<p>An investment firm that engages in algorithmic trading shall have in place effective systems and risk controls suitable to the business it operates to ensure that its trading systems are resilient and have sufficient capacity, are subject to appropriate trading thresholds and limits and prevent the sending of erroneous orders or the systems otherwise functioning in a way that may create or contribute to a disorderly market. Such a firm shall also have in place effective systems and risk controls to ensure the trading systems cannot be used for any purpose that is contrary to Regulation (EU) No 596/2014 or to the rules of a trading venue to which it is connected. The investment firm shall have in place effective business continuity arrangements to deal with any failure of its trading systems and shall ensure its systems are fully tested and properly monitored to ensure that they meet the requirements laid down in this paragraph.</p>	<p>Regulation 30</p>	<p>HMT</p>
<p>Article 17(2) (as applied by Article 1.5) of MiFID II</p>	<p>An investment firm that engages in algorithmic trading in a Member State shall notify this to the competent authorities of its home Member State and of the trading venue at which the investment firm engages in algorithmic trading as a member or participant of the trading venue. The competent authority of the home Member State of the investment firm may require the investment firm to provide, on a regular or ad-hoc basis, a description of the nature of its algorithmic trading strategies, details of the trading parameters or limits to which the system is subject, the key compliance and risk controls that it has in place to ensure the conditions laid down in paragraph 1 are satisfied and details of the testing of its systems. The competent authority of the home Member State of the investment firm may, at any time, request further information</p>	<p>Regulations 30, 31 and 46</p>	<p>HMT</p>

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	<p>from an investment firm about its algorithmic trading and the systems used for that trading.</p> <p>The competent authority of the home Member State of the investment firm shall, on the request of a competent authority of a trading venue at which the investment firm as a member or participant of the trading venue is engaged in algorithmic trading and without undue delay, communicate the information referred to in the second subparagraph that it receives from the investment firm that engages in algorithmic trading.</p> <p>The investment firm shall arrange for records to be kept in relation to the matters referred to in this paragraph and shall ensure that those records be sufficient to enable its competent authority to monitor compliance with the requirements of this Directive.</p> <p>An investment firm that engages in a high-frequency algorithmic trading technique shall store in an approved form accurate and time sequenced records of all its placed orders, including cancellations of orders, executed orders and quotations on trading venues and shall make them available to the competent authority upon request.</p>		
<p>Article 17(3) (as applied by Article 1.5) of MiFID II</p>	<p>An investment firm that engages in algorithmic trading to pursue a market making strategy shall, taking into account the liquidity, scale and nature of the specific market and the characteristics of the instrument traded:</p> <p>(a) carry out this market making continuously during a specified proportion of the trading venue's trading hours, except under exceptional circumstances, with the result of providing liquidity on a regular and predictable basis to the trading venue;</p>	<p>Regulation 30</p>	<p>HMT</p>

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	<p>(b) enter into a binding written agreement with the trading venue which shall at least specify the obligations of the investment firm in accordance with point (a); and</p> <p>(c) have in place effective systems and controls to ensure that it fulfils its obligations under the agreement referred to in point (b) at all times.</p>		
<p>Article 17(4) (as applied by Article 1.5) of MiFID II</p>	<p>For the purposes of this Article and of Article 48 of this Directive, an investment firm that engages in algorithmic trading shall be considered to be pursuing a market making strategy when, as a member or participant of one or more trading venues, its strategy, when dealing on own account, involves posting firm, simultaneous two-way quotes of comparable size and at competitive prices relating to one or more financial instruments on a single trading venue or across different trading venues, with the result of providing liquidity on a regular and frequent basis to the overall market.</p>	<p>Regulation 30 Paragraph 1(6) of Schedule 3 inserting paragraph 3A of the RRR (S)</p>	<p>HMT</p>
<p>Article 17(5) (as applied by Article 1.5) of MiFID II</p>	<p>An investment firm that provides direct electronic access to a trading venue shall have in place effective systems and controls which ensure a proper assessment and review of the suitability of clients using the service, that clients using the service are prevented from exceeding appropriate pre-set trading and credit thresholds, that trading by clients using the service is properly monitored and that appropriate risk controls prevent trading that may create risks to the investment firm itself or that could create or contribute to a disorderly market or could be contrary to Regulation (EU) No 596/2014 or the rules of the trading venue. Direct electronic access without such controls is prohibited. An investment firm that provides direct electronic access shall be responsible for ensuring that clients using that service comply with the requirements of this Directive and the rules of the</p>	<p>Regulation 32, 33 and 46</p>	<p>HMT</p>

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	trading venue. The investment firm shall monitor the transactions in order to identify infringements of those rules, disorderly trading conditions or conduct that may involve market abuse and that is to be reported to the competent authority. The investment firm shall ensure that there is a binding written agreement between the investment firm and the client regarding the essential rights and obligations arising from the provision of the service and that under the agreement the investment firm retains responsibility under this Directive. An investment firm that provides direct electronic access to a trading venue shall notify the competent authorities of its home Member State and of the trading venue at which the investment firm provides direct electronic access accordingly.		
Article 17(6) (as applied by Article 1.5) of MiFID II	An investment firm that acts as a general clearing member for other persons shall have in place effective systems and controls to ensure clearing services are only applied to persons who are suitable and meet clear criteria and that appropriate requirements are imposed on those persons to reduce risks to the investment firm and to the market. The investment firm shall ensure that there is a binding written agreement between the investment firm and the person regarding the essential rights and obligations arising from the provision of that service.	Regulation 34	HMT
Article 18(1) (part), (2), (3), (4), (7) and (8) of MiFID II	Trading process and finalisation of transactions in an MTF and an OTF 1. Member States shall require that investment firms and market operators operating an MTF or an OTF, in addition to meeting the organisational requirements laid down in Article 16, establish transparent rules and procedures for fair and orderly trading and establish objective criteria for the efficient execution of orders.	Paragraph 1(7) of Schedule 3 amending paragraph 4 of the RRR (S) Paragraph 1(10) and (11) of Schedule 3 amending paragraphs 7A and 7B of the RRR (S)	HMT

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	<p>They shall have arrangements for the sound management of the technical operations of the facility, including the establishment of effective contingency arrangements to cope with risks of systems disruption.</p> <p>2. Member States shall require that investment firms and market operators operating an MTF or an OTF establish transparent rules regarding the criteria for determining the financial instruments that can be traded under its systems.</p> <p>Member States shall require that, where applicable, investment firms and market operators operating an MTF or an OTF provide, or are satisfied that there is access to, sufficient publicly available information to enable its users to form an investment judgement, taking into account both the nature of the users and the types of instruments traded.</p> <p>3. Member States shall require that investment firms and market operators operating an MTF or an OTF establish, publish and maintain and implement transparent and non-discriminatory rules, based on objective criteria, governing access to its facility.</p> <p>4. Member States shall require that investment firms and market operators operating an MTF or an OTF have arrangements to identify clearly and manage the potential adverse consequences for the operation of the MTF or OTF, or for the members or participants and users, of any conflict of interest between the interest of the MTF, the OTF, their owners or the investment firm or market operator operating the MTF or OTF and the sound functioning of the MTF or OTF.</p>	<p>Paragraph 1(16) of Schedule 3 amending paragraph 9A of the RRR (S)</p> <p>Paragraph 1(17) of Schedule 3 inserting paragraphs 9D and 9G of the RRR (S)</p>	

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	<p>.....</p> <p>7. Member States shall require that MTFs and OTFs have at least three materially active members or users, each having the opportunity to interact with all the others in respect to price formation.</p> <p>8. Where a transferable security that has been admitted to trading on a regulated market is also traded on an MTF or an OTF without the consent of the issuer, the issuer shall not be subject to any obligation relating to initial, ongoing or ad hoc financial disclosure with regard to that MTF or an OTF.</p>		
Article 18(10) of MiFID II	<p>Member States shall require that investment firms and market operators operating an MTF or an OTF provide the competent authority with a detailed description of the functioning of the MTF or OTF, including, without prejudice to Article 20(1), (4) and (5), any links to or participation by a regulated market, an MTF, an OTF or a systematic internaliser owned by the same investment firm or market operator, and a list of their members, participants and/or users. <u>Competent authorities shall make that information available to ESMA on request. Every authorisation to an investment firm or market operator as an MTF and an OTF shall be notified to ESMA.</u> [full text not reproduced here]</p>	<p>Regulation 42 (in relation to the underlined text)</p> <p>Paragraph 1(16) of Schedule 3 amending paragraph 9A of the RRR (S)</p>	HMT
Article 19(1) and (5) of MiFID II	<p>Specific requirements for MTFs</p> <p>1. Member States shall require that investment firms and market operators operating an MTF, in addition to meeting the</p>	<p>Paragraph 1(17) of Schedule 3 inserting paragraphs 9B and 9C of the RRR (S)</p>	HMT

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	<p>requirements laid down in Articles 16 and 18, shall establish and implement non- discretionary rules for the execution of orders in the system.</p> <p>*****</p>		
<p>Article 20(1) to (5), (7) (part) and (8) of MiFID II</p>	<p>5. Member States shall not allow investment firms or market operators operating an MTF to execute client orders against proprietary capital, or to engage in matched principal trading.</p> <p>Specific requirements for OTFs</p> <p>1. Member States shall require that an investment firm and a market operator operating an OTF establishes arrangements preventing the execution of client orders in an OTF against the proprietary capital of the investment firm or market operator operating the OTF or from any entity that is part of the same group or legal person as the investment firm or market operator.</p> <p>2. Member States shall permit an investment firm or market operator operating an OTF to engage in matched principal trading in bonds, structured finance products, emission allowances and certain derivatives only where the client has consented to the process.</p> <p>An investment firm or market operator operating an OTF shall not use matched principal trading to execute client orders in an OTF in derivatives pertaining to a class of derivatives that has been declared subject to the clearing obligation in accordance with Article 5 of Regulation (EU) No 648/2012.</p>	<p>Paragraph 1(17) of Schedule 3 inserting paragraphs 9F and 9H of the RRR (S)</p>	<p>HMT</p>

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>An investment firm or market operator operating an OTF shall establish arrangements ensuring compliance with the definition of matched principal trading in point (38) of Article 4(1).</p> <p>3. Member States shall permit an investment firm or market operator operating an OTF to engage in dealing on own account other than matched principal trading only with regard to sovereign debt instruments for which there is not a liquid market.</p> <p>4. Member States shall not allow the operation of an OTF and of a systematic internaliser to take place within the same legal entity. An OTF shall not connect with a systematic internaliser in a way which enables orders in an OTF and orders or quotes in a systematic internaliser to interact. An OTF shall not connect with another OTF in a way which enables orders in different OTFs to interact.</p> <p>5. Member States shall not prevent an investment firm or a market operator operating an OTF from engaging another investment firm to carry out market making on that OTF on an independent basis.</p> <p>For the purposes of this Article, an investment firm shall not be deemed to be carrying out market making on an OTF on an independent basis if it has close links with the investment firm or market operator operating the OTF.</p> <p>.....</p>		

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>7. The competent authority may require, either when an investment firm or market operator requests to be authorised for the operation of an OTF or on ad-hoc basis, a detailed explanation why the system does not correspond to and cannot operate as a regulated market, MTF, or systematic internaliser, a detailed description as to how discretion will be exercised, in particular when an order to the OTF may be retracted and when and how two or more client orders will be matched within the OTF. In addition, the investment firm or market operator of an OTF shall provide the competent authority with information explaining its use of matched principal trading. The competent authority shall monitor an investment firm's or market operator's engagement in matched principal trading to ensure that it continues to fall within the definition of such trading and that its engagement in matched principal trading does not give rise to conflicts of interest between the investment firm or market operator and its clients.</p>		
Article 27(3) of MiFID II	<p>8. Member States shall ensure that Articles 24, 25, 27 and 28 are applied to the transactions concluded on an OTF.</p> <p>Member States shall require that for financial instruments subject to the trading obligation in Articles 23 and 28 Regulation (EU) No 600/2014 each trading venue and systematic internaliser and for other financial instruments each execution venue makes available to the public, without any charges, data relating to the quality of execution of transactions on that venue on at least an annual basis and that following execution of a transaction on behalf of a client the investment firm shall inform the client where the order was executed. Periodic reports shall</p>	Paragraph 1(9) of Schedule 3 inserting paragraph 4C of the RRR (S)	HMT

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	include details about price, costs, speed and likelihood of execution for individual financial instruments.		
Article 29(4) of MiFID II	Member States shall require that investment firms appointing tied agents take adequate measures in order to avoid any negative impact that the activities of the tied agent not covered by the scope of this Directive could have on the activities carried out by the tied agent on behalf of the investment firm.	Paragraph 2 of Schedule 2 amending section 39 FSMA	HMT
Article 29(5) of MiFID II	Member States shall require that investment firms appoint only tied agents entered in the public registers referred to in paragraph 3.	Paragraph 3 of Schedule 2 amending section 39A FSMA	HMT
Article 31(1) and (2) (part) of MiFID II	<p>Monitoring of compliance with the rules of the MTF or the OTF and with other legal obligations</p> <p>1. Member States shall require that investment firms and market operators operating an MTF or OTF establish and maintain effective arrangements and procedures, relevant to the MTF or OTF, for the regular monitoring of the compliance by its members or participants or users with its rules. Investment firms and market operators operating an MTF or an OTF shall monitor the orders sent, including cancellations and the transactions undertaken by their members or participants or users under their systems, in order to identify infringements of those rules, disorderly trading conditions, conduct that may indicate behaviour that is prohibited under Regulation (EU) No 596/2014 or system disruptions in relation to a financial instrument and shall deploy the resource necessary to ensure that such monitoring is effective.</p> <p>2. Member States shall require investment firms and market operators operating an MTF or an OTF to inform its competent</p>	<p>Paragraph 1(6) of Schedule 3 amending paragraph 3 of the RRR (S)</p> <p>Paragraph 1(7) of Schedule 3 amending paragraph 4 of the RRR (S)</p>	HMT

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>authority immediately of significant infringements of its rules or disorderly trading conditions or conduct that may indicate behaviour that is prohibited under Regulation (EU) No 596/2014 or system disruptions in relation to a financial instrument.</p>		
<p>Article 32(1) of MiFID II</p>	<p>Without prejudice to the right of the competent authority under Article 69(2) to demand suspension or removal of a financial instrument from trading, an investment firm or a market operator operating an MTF or an OTF may suspend or remove from trading a financial instrument which no longer complies with the rules of the MTF or an OTF unless such suspension or removal would be likely to cause significant damage to the investors' interests or the orderly functioning of the market.</p>	<p>Paragraph 1(13) of Schedule 3 amending paragraph 7E of the RRR (S)</p>	<p>HMT</p>
<p>Article 32(2) of MiFID II</p>	<p>Member States shall require that an investment firm or a market operator operating an MTF or an OTF that suspends or removes from trading a financial instrument also suspends or removes derivatives referred to in points (4) to (10) of Section C of Annex I that relate or are referenced to that financial instrument where necessary to support the objectives of the suspension or removal of the underlying financial instrument. The investment firm or market operator operating an MTF or an OTF shall make public its decision on the suspension or removal of the financial instrument and of any related derivative and communicate the relevant decisions to its competent authority.</p> <p>The competent authority, in whose jurisdiction the suspension or removal originated, shall require that regulated markets, other MTFs, other OTFs and systematic internalisers, which fall under its jurisdiction and trade the same financial instrument or derivatives referred to in points (4) to (10) of Section C of Annex I to this Directive that relate or are referenced to that financial</p>	<p>Paragraph 39 to 42 of Schedule 2 amending Part 18A FSMA Paragraph 1(13) of Schedule 3 amending paragraph 7E of the RRR (S)</p>	<p>HMT</p>

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>instrument, also suspend or remove that financial instrument or derivatives from trading, where the suspension or removal is due to suspected market abuse, a take-over bid or the non-disclosure of inside information about the issuer or financial instrument infringing Articles 7 and 17 of Regulation (EU) No 596/2014 except where such suspension or removal could cause significant damage to the investors' interests or the orderly functioning of the market.</p> <p>The competent authority shall immediately make public and communicate to ESMA and the competent authorities of the other Member States such a decision.</p> <p>The notified competent authorities of the other Member States shall require that regulated markets, other MTFs, other OTFs and systematic internalisers, which fall under their jurisdiction and trade the same financial instrument or derivatives referred to in points (4) to (10) of Section C of Annex I that relate or are referenced to that financial instrument, also suspend or remove that financial instrument or derivatives from trading, where the suspension or removal is due to suspected market abuse, a take-over bid or the non-disclosure of inside information about the issuer or financial instrument infringing Articles 7 and 17 of Regulation (EU) No 596/2014 except where such suspension or removal could cause significant damage to the investors' interests or the orderly functioning of the market.</p> <p>Each notified competent authority shall communicate its decision to ESMA and other competent authorities, including an explanation if the decision was not to suspend or remove from trading the financial instrument or derivatives referred to in</p>		

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	<p>points (4) to (10) of Section C of Annex I that relate or are referenced to that financial instrument.</p> <p>This paragraph also applies when the suspension from trading of a financial instrument or derivatives referred to in points (4) to (10) of Section C of Annex I that relate or are referenced to that financial instrument is lifted.</p> <p>The notification procedure referred to in this paragraph shall also apply in the case where the decision to suspend or remove from trading a financial instrument or derivatives referred to in points (4) to (10) of Section C of Annex I that relate or are referenced to that financial instrument is taken by the competent authority pursuant to points (m) and (n) of Article 69(2).</p>		
Article 33(1) (part) of MiFID II	Member States shall provide that the operator of a MTF may apply to its home competent authority to have the MTF registered as an SME growth market.	Paragraph 1(17) of Schedule 3 inserting paragraph 9E of the RRR (S)	HMT
Article 33(6) of MiFID II	Members States shall require that if a home competent authority registers or deregisters an MTF as an SME growth market under this Article it shall as soon as possible notify ESMA of that registration or deregistration. ESMA shall publish on its website a list of SME growth markets and shall keep that list up to date.	Regulation 42	HMT
Article 33(7) (part) of MiFID II	Member States shall require that where a financial instrument of an issuer is admitted to trading on one SME growth market, the financial instrument may also be traded on another SME growth market only where the issuer has been informed and has not objected. In such a case however, the issuer shall not be subject to any obligation relating to corporate governance or initial, ongoing or ad hoc disclosure with regard to the latter SME growth market.	Paragraph 1(17) of Schedule 3 inserting paragraph 9E of the RRR (S)	HMT

ARTICLE	TEXT	TRANSPPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
Article 45(2)(a) of MiFID II	Competent authorities may authorise members of the management body to hold one additional non-executive directorship. Competent authorities shall regularly inform ESMA of such authorisations. [only relevant text reproduced here]	Regulation 44(1), (2), and (3)(a)	HMT
Article 44(1) of MiFID II	Member States shall reserve authorisation as a regulated market to those systems which comply with this Title. [full text not reproduced here]	Paragraph 32 of Schedule 2 amending section 292 FSMA (in relation to overseas applicants)	HMT
Article 44(5)(d) of MiFID II	The competent authority may withdraw the authorisation issued to a regulated market, where it: ... (d) has seriously and systematically infringed the provisions adopted pursuant to this Directive or Regulation (EU) No 600/2014;	Paragraph 6(4)(a) of Schedule 3 inserting paragraph (6)(aa) of article 4 of the QEPO?	
Article 45(1), (2) (part), (3), (4), (5), (6) and (8) (part) of MiFID II	Requirements for the management body of a market operator 1. Member States shall require that all members of the management body of any market operator shall at all times be of sufficiently good repute, possess sufficient knowledge, skills and experience to perform their duties. The overall composition of the management body shall reflect an adequately broad range of experience. 2. Members of the management body shall, in particular, fulfill the following requirements: (a) All members of the management body shall commit sufficient time to perform their functions in the market operator. The number of directorships a member of the management body can hold, in any legal entity, at the same time shall take into account	Paragraph 1(4) of Schedule 3 amending paragraph 2 of the RRR (S) Paragraph 1(5) of Schedule 3 inserting paragraphs 2A and 2B of the RRR (S)	HMT

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	<p>individual circumstances and the nature, scale and complexity of the market operator's activities.</p> <p>Unless representing the Member State, members of the management body of market operators that are significant in terms of their size, internal organisation and the nature, the scope and the complexity of their activities shall not at the same time hold positions exceeding more than one of the following combinations:</p> <ul style="list-style-type: none"> (i) one executive directorship with two non-executive directorships; (ii) four non-executive directorships. <p>Executive or non-executive directorships held within the same group or undertakings where the market operator owns a qualifying holding shall be considered to be one single directorship.</p> <p>Competent authorities may authorise members of the management body to hold one additional non-executive directorship. Competent authorities shall regularly inform ESMA of such authorisations.</p> <p>Directorships in organisations which do not pursue predominantly commercial objectives shall be exempt from the limitation on the number of directorships a member of a management body can hold.</p>		

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	<p>(b) The management body shall possess adequate collective knowledge, skills and experience to be able to understand the market operator's activities, including the main risks.</p> <p>(c) Each member of the management body shall act with honesty, integrity and independence of mind to effectively assess and challenge the decisions of the senior management where necessary and to effectively oversee and monitor decision-making.</p> <p>3. Market operators shall devote adequate human and financial resources to the induction and training of members of the management body.</p> <p>4. Member States shall ensure that market operators which are significant in terms of their size, internal organisation and the nature, scope and complexity of their activities establish a nomination committee composed of members of the management body who do not perform any executive function in the market operator concerned.</p> <p>The nomination committee shall carry out the following:</p> <p>(a) identify and recommend, for the approval of the management body or for approval of the general meeting, candidates to fill management body vacancies. In doing so, the nomination committee shall evaluate the balance of knowledge, skills, diversity and experience of the management body. Further, the committee shall prepare a description of the roles and capabilities for a particular appointment, and assess the time</p>		

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	<p>commitment expected. Furthermore, the nomination committee shall decide on a target for the representation of the underrepresented gender in the management body and prepare a policy on how to increase the number of the underrepresented gender in the management body in order to meet that target;</p> <p>(b) periodically, and at least annually, assess the structure, size, composition and performance of the management body, and make recommendations to the management body with regard to any changes;</p> <p>(c) periodically, and at least annually, assess the knowledge, skills and experience of individual members of the management body and of the management body collectively, and report to the management body accordingly;</p> <p>(d) periodically review the policy of the management body for selection and appointment of senior management and make recommendations to the management body.</p> <p>In performing its duties, the nomination committee shall, to the extent possible and on an ongoing basis, take account of the need to ensure that the management body's decision making is not dominated by any one individual or small group of individuals in a manner that is detrimental to the interests of the market operator as a whole.</p> <p>In performing its duties, the nomination committee shall be able to use any forms of resources it deems appropriate, including external advice.</p>		

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	<p>Where, under national law, the management body does not have any competence in the process of selection and appointment of any of its members, this paragraph shall not apply.</p> <p>5. Member States or competent authorities shall require market operators and their respective nomination committees to engage a broad set of qualities and competences when recruiting members to the management body and for that purpose to put in place a policy promoting diversity on the management body.</p> <p>6. Member States shall ensure that the management body of a market operator defines and oversees the implementation of the governance arrangements that ensure effective and prudent management of an organisation, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market.</p> <p>Member States shall ensure that the management body monitors and periodically assesses the effectiveness of the market operator's governance arrangements and takes appropriate steps to address any deficiencies.</p> <p>Members of the management body shall have adequate access to information and documents which are needed to oversee and monitor management decision-making.</p> <p>.....</p>		

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>8. Member States shall require the market operator to notify the competent authority of the identity of all members of its management body and of any changes to its membership, along with all information needed to assess whether the market operator complies with paragraphs 1 to 5.</p>		
<p>Article 47(1) (part) and (2) of MiFID II</p>	<p>Organisational requirements</p> <p>1. Member States shall require the regulated market:</p> <p>(a) to have arrangements to identify clearly and manage the potential adverse consequences, for the operation of the regulated market or for its members or participants, of any conflict of interest between the interest of the regulated market, its owners or its market operator and the sound functioning of the regulated market, and in particular where such conflicts of interest might prove prejudicial to the accomplishment of any functions delegated to the regulated market by the competent authority;</p> <p>(b) to be adequately equipped to manage the risks to which it is exposed, to implement appropriate arrangements and systems to identify all significant risks to its operation, and to put in place effective measures to mitigate those risks;</p> <p>(c) to have arrangements for the sound management of the technical operations of the system, including the establishment of effective contingency arrangements to cope with risks of systems disruptions;</p> <p>(d) to have transparent and non-discretionary rules and procedures that provide for fair and orderly trading and establish objective criteria for the efficient execution of orders;</p>	<p>Paragraph 1(6) of Schedule 3 amending paragraph 3 of the RRR (S)</p> <p>Paragraph 1(7) of Schedule 3 amending paragraph 4 of the RRR (S)</p> <p>Paragraph 1(15) of Schedule 3 inserting paragraph 9ZA of the RRR (S)</p>	<p>HMT</p>

ARTICLE	TEXT	TRANSPPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>(e) to have effective arrangements to facilitate the efficient and timely finalisation of the transactions executed under its systems;</p> <p>(f) to have available, at the time of authorisation and on an ongoing basis, sufficient financial resources to facilitate its orderly functioning, having regard to the nature and extent of the transactions concluded on the market and the range and degree of the risks to which it is exposed.</p>		
<p>Article 48(1) to (4), (5) (part), (7) to (9) and (10) (part) (as applied by Article 18(5)) of MiFID II</p>	<p>2. Member States shall not allow market operators to execute client orders against proprietary capital, or to engage in matched principal trading on any of the regulated markets they operate.</p> <p>Systems resilience, circuit breakers and electronic trading</p> <p>1. Member States shall require a regulated market to have in place effective systems, procedures and arrangements to ensure its trading systems are resilient, have sufficient capacity to deal with peak order and message volumes, are able to ensure orderly trading under conditions of severe market stress, are fully tested to ensure such conditions are met and are subject to effective business continuity arrangements to ensure continuity of its services if there is any failure of its trading systems.</p> <p>2. Member States shall require a regulated market to have in place:</p> <p>(a) written agreements with all investment firms pursuing a market making strategy on the regulated market;</p> <p>(b) schemes to ensure that a sufficient number of investment firms participate in such agreements which require them to post</p>	<p>Paragraph 1(6) of Schedule 3 amending paragraph 3 of the RRR (S) and inserting paragraphs 3A, 3B, 3C, 3D, 3E and 3F of the RRR (S)</p>	<p>HMT</p>

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>firm quotes at competitive prices with the result of providing liquidity to the market on a regular and predictable basis, where such a requirement is appropriate to the nature and scale of the trading on that regulated market.</p> <p>3. The written agreement referred to in paragraph 2 shall at least specify:</p> <p>(a) the obligations of the investment firm in relation to the provision of liquidity and where applicable any other obligation arising from participation in the scheme referred to in paragraph 2(b);</p> <p>(b) any incentives in terms of rebates or otherwise offered by the regulated market to an investment firm so as to provide liquidity to the market on a regular and predictable basis and, where applicable, any other rights accruing to the investment firm as a result of participation in the scheme referred to in paragraph 2(b).</p> <p>The regulated market shall monitor and enforce compliance by investment firms with the requirements of such binding written agreements. The regulated market shall inform the competent authority about the content of the binding written agreement and shall, upon request, provide all further information to the competent authority necessary to enable the competent authority to satisfy itself of compliance by the regulated market with this paragraph.</p> <p>4. Member States shall require a regulated market to have in place effective systems, procedures and arrangements to reject</p>		

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	<p>orders that exceed pre-determined volume and price thresholds or are clearly erroneous.</p> <p>5. Member States shall require a regulated market to be able to temporarily halt or constrain trading if there is a significant price movement in a financial instrument on that market or a related market during a short period and, in exceptional cases, to be able to cancel, vary or correct any transaction. Member States shall require a regulated market to ensure that the parameters for halting trading are appropriately calibrated in a way which takes into account the liquidity of different asset classes and sub-classes, the nature of the market model and types of users and is sufficient to avoid significant disruptions to the orderliness of trading.</p> <p>Member States shall ensure that a regulated market reports the parameters for halting trading and any material changes to those parameters to the competent authority in a consistent and comparable manner, and that the competent authority shall in turn report them to ESMA. Member States shall require that where a regulated market which is material in terms of liquidity in that financial instrument halts trading, in any Member State, that trading venue has the necessary systems and procedures in place to ensure that it will notify competent authorities in order for them to coordinate a market-wide response and determine whether it is appropriate to halt trading on other venues on which the financial instrument is traded until trading resumes on the original market.</p>		

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	<p>6. Member States shall require a regulated market to have in place effective systems, procedures and arrangements, including requiring members or participants to carry out appropriate testing of algorithms and providing environments to facilitate such testing, to ensure that algorithmic trading systems cannot create or contribute to disorderly trading conditions on the market and to manage any disorderly trading conditions which do arise from such algorithmic trading systems, including systems to limit the ratio of unexecuted orders to transactions that may be entered into the system by a member or participant, to be able to slow down the flow of orders if there is a risk of its system capacity being reached and to limit and enforce the minimum tick size that may be executed on the market.</p> <p>7. Member States shall require a regulated market that permits direct electronic access to have in place effective systems or procedures and arrangements to ensure that members or participants are only permitted to provide such services if they are investment firms authorised under this Directive or credit institutions authorised under Directive 2013/36/EU, that appropriate criteria are set and applied regarding the suitability of persons to whom such access may be provided and that the member or participant retains responsibility for orders and trades executed using that service in relation to the requirements of this Directive.</p> <p>Member States shall also require that the regulated market set appropriate standards regarding risk controls and thresholds on trading through such access and is able to distinguish and if necessary to stop orders or trading by a person using direct</p>		

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	<p>electronic access separately from other orders or trading by the member or participant.</p> <p>The regulated market shall have arrangements in place to suspend or terminate the provision of direct electronic access by a member or participant to a client in the case of non-compliance with this paragraph.</p> <p>8. Member States shall require a regulated market to ensure that its rules on co-location services are transparent, fair and non-discriminatory.</p> <p>9. Member States shall require that a regulated market ensure that its fee structures including execution fees, ancillary fees and any rebates are transparent, fair and non-discriminatory and that they do not create incentives to place, modify or cancel orders or to execute transactions in a way which contributes to disorderly trading conditions or market abuse. In particular, Member States shall require a regulated market to impose market making obligations in individual shares or a suitable basket of shares in exchange for any rebates that are granted. Member States shall allow a regulated market to adjust its fees for cancelled orders according to the length of time for which the order was maintained and to calibrate the fees to each financial instrument to which they apply.</p> <p>Member States may allow a regulated market to impose a higher fee for placing an order that is subsequently cancelled than an order which is executed and to impose a higher fee on participants placing a high ratio of cancelled orders to executed</p>		

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	<p>orders and on those operating a high- frequency algorithmic trading technique in order to reflect the additional burden on system capacity.</p> <p>10. Member States shall require a regulated market to be able to identify, by means of flagging from members or participants, orders generated by algorithmic trading, the different algorithms used for the creation of orders and the relevant persons initiating those orders. That information shall be available to competent authorities upon request.</p>		
<p>Article 49(1) and (2) (as applied by Article 18(5)) of MiFID II</p>	<p>Tick sizes</p> <p>1. Member States shall require regulated markets to adopt tick size regimes in shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments and in any other financial instrument for which regulatory technical standards are developed in accordance with paragraph 4.</p> <p>2. The tick size regimes referred to in paragraph 1 shall:</p> <p>(a) be calibrated to reflect the liquidity profile of the financial instrument in different markets and the average bid-ask spread, taking into account the desirability of enabling reasonably stable prices without unduly constraining further narrowing of spreads;</p> <p>(b) adapt the tick size for each financial instrument appropriately.</p>	<p>Paragraph 1(6) of Schedule 3 inserting paragraph 3G of the RRR (S)</p>	<p>HMT</p>
<p>Article 50(1) (as applied by Article 1.5) of MiFID II</p>	<p>Member States shall require that all trading venues and their members or participants synchronise the business clocks they use to record the date and time of any reportable event.</p>	<p>Regulation 35 Paragraph 1(6) of Schedule 3 inserting paragraph 3H of the RRR (S)</p>	<p>HMT</p>

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<p>Article 51(1) to (5) of MiFID II</p>	<p>Admission of financial instruments to trading</p> <ol style="list-style-type: none"> 1. Member States shall require that regulated markets have clear and transparent rules regarding the admission of financial instruments to trading. <p>Those rules shall ensure that any financial instruments admitted to trading on a regulated market are capable of being traded in a fair, orderly and efficient manner and, in the case of transferable securities, are freely negotiable.</p> <ol style="list-style-type: none"> 2. In the case of derivatives, the rules referred to in paragraph 1 shall ensure in particular that the design of the derivative contract allows for its orderly pricing as well as for the existence of effective settlement conditions. 3. In addition to the obligations set out in paragraphs 1 and 2, Member States shall require the regulated market to establish and maintain effective arrangements to verify that issuers of transferable securities that are admitted to trading on the regulated market comply with their obligations under Union law in respect of initial, ongoing or ad hoc disclosure obligations. <p>Member States shall ensure that the regulated market establishes arrangements which facilitate its members or participants in obtaining access to information which has been made public under Union law.</p> <ol style="list-style-type: none"> 4. Member States shall ensure that regulated markets have established the necessary arrangements to review regularly the 	<p>Paragraph 1(10) of Schedule 3 amending paragraph 7A of the RRR (S)</p> <p>Paragraph 1(15) of Schedule 3 inserting paragraph 9ZB of the RRR (S)</p>	<p>HMT</p>

ARTICLE	TEXT	TRANSPPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>compliance with the admission requirements of the financial instruments which they admit to trading.</p> <p>5. A transferable security that has been admitted to trading on a regulated market can subsequently be admitted to trading on other regulated markets, even without the consent of the issuer and in compliance with the relevant provisions of Directive 2003/71/EC. The issuer shall be informed by the regulated market of the fact that its securities are traded on that regulated market. The issuer shall not be subject to any obligation to provide information required under paragraph 3 directly to any regulated market which has admitted the issuer's securities to trading without its consent.</p>		
Article 52(1) of MiFID II	<p>Suspension and removal of financial instruments from trading on a regulated market</p> <p>1. Without prejudice to the right of the competent authority under Article 69(2) to demand suspension or removal of a financial instrument from trading, a market operator may suspend or remove from trading a financial instrument which no longer complies with the rules of the regulated market unless such suspension or removal would be likely to cause significant damage to the investors' interests or the orderly functioning of the market.</p>	Paragraph 1(13) of Schedule 3 amending paragraph 7E of the RRR (S)	HMT
Article 52(2) of MiFID II	<p>Member States shall require that a market operator that suspends or removes from trading a financial instrument also suspends or removes the derivatives as referred to in points (4) to (10) of Section C of Annex I that relate or are referenced to that financial instrument where necessary to support the objectives of the suspension or removal of the underlying</p>	Paragraph 39 to 42 of Schedule 2 amending Part 18A FSMA Paragraph 1(13) of Schedule 3 amending paragraph 7E of the RRR (S)	HMT

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>financial instrument. The market operator shall make public its decision on the suspension or removal of the financial instrument and of any related derivative and communicate the relevant decisions to its competent authority.</p> <p>The competent authority, in whose jurisdiction the suspension or removal originated, shall require that other regulated markets, MTFs, OTFs and systematic internalisers, which fall under its jurisdiction and trade the same financial instrument or derivatives as referred to in points (4) to (10) of Section C of Annex I to this Directive that relate or are referenced to that financial instrument, also suspend or remove that financial instrument or derivatives from trading, where the suspension or removal is due to suspected market abuse, a take-over bid or the non-disclosure of inside information about the issuer or financial instrument infringing Articles 7 and 17 of Regulation (EU) No. 596/2014 except where such suspension or removal could cause significant damage to the investors' interests or the orderly functioning of the market.</p> <p>Each notified competent authority shall communicate its decision to ESMA and other competent authorities, including an explanation if the decision was not to suspend or remove from trading the financial instrument or derivatives as referred to in points (4) to (10) of Section C of Annex I that relate or are referenced to that financial instrument.</p>		

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>The competent authority shall immediately make public and communicate to ESMA and the competent authorities of the other Member States such a decision.</p> <p>The notified competent authorities of the other Member States shall require that regulated markets, other MTFs, other OTFs and systematic internalisers, which fall under their jurisdiction and trade the same financial instrument or derivatives referred to in points (4) to (10) of Section C of Annex I to this Directive that relate or are referenced to that financial instrument, also suspend or remove that financial instrument or derivatives from trading, where the suspension or removal is due to suspected market abuse, a take-over bid or the non-disclosure of inside information about the issuer or financial instrument infringing Articles 7 and 17 of Regulation (EU) No 596/2014 except where such suspension or removal could cause significant damage to the investors' interests or the orderly functioning of the market.</p> <p>This paragraph applies also when the suspension from trading of a financial instrument or derivatives as referred to in points (4) to (10) of Section C of Annex I that relate or are referenced to that financial instrument is lifted.</p> <p>The notification procedure referred to in this paragraph shall also apply in the case where the decision to suspend or remove from trading a financial instrument or derivatives as referred to in points (4) to (10) of Section C of Annex I that relate or are referenced to that financial instrument is taken by the competent authority pursuant to points (m) and (n) of Article 69(2).</p>		

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
Article 53(3), of MiFID II (as applied by Article 19(2))	<p>Regulated markets may admit as members or participants investment firms, credit institutions authorised under Directive 2013/36/EU and other persons who:</p> <p>(a) are of sufficient good repute;</p> <p>(b) have a sufficient level of trading ability, competence and experience;</p> <p>(c) have, where applicable, adequate organisational arrangements;</p> <p>(d) have sufficient resources for the role they are to perform, taking into account the different financial arrangements that the regulated market may have established in order to guarantee the adequate settlement of transactions.</p>	<p>Paragraph 1(15) of Schedule 3 inserting paragraph 9ZC of the RRR (S)</p> <p>Paragraph 1(17) of Schedule 3 inserting paragraph 9C of the RRR (S)</p>	HMT
Article 54(1) of MiFID II	<p>Member States shall require that regulated markets establish and maintain effective arrangements and procedures including the necessary resource for the regular monitoring of the compliance by their members or participants with their rules. Regulated markets shall monitor orders sent including cancellations and the transactions undertaken by their members or participants under their systems in order to identify infringements of those rules, disorderly trading conditions or conduct that may indicate behaviour that is prohibited under Regulation (EU) No 596/2014 or system disruptions in relation to a financial instrument.</p>	Paragraph 1(6) of Schedule 3 amending paragraph 3 of the RRR (S)	HMT
Article 54(2) of MiFID II	<p>Member States shall require the market operators of the regulated markets to immediately inform their competent authorities of significant infringements of their rules or disorderly trading conditions or conduct that may indicate behaviour that is prohibited under Regulation (EU) No 596/2014 or system disruptions in relation to a financial instrument.</p>	Regulation 43 Paragraph 1(7) of Schedule 3 amending paragraph 4 of the RRR (S)	HMT

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>The competent authorities of the regulated markets shall communicate to ESMA and to the competent authorities of the other Member States the information referred to in the first subparagraph.</p> <p>In relation to conduct that may indicate behaviour that is prohibited under Regulation (EU) No 596/2014, a competent authority shall be convinced that such behaviour is being or has been carried out before it notifies the competent authorities of the other Member States and ESMA.</p>		
Article 56(2) of MiFID II	<p>Each Member State shall draw up a list of the regulated markets for which it is the home Member State and <u>shall forward that list to the other Member States and ESMA. A similar communication shall be effected in respect of each change to that list.</u> [full text not reproduced here]</p>	Regulation 41 (in relation to the underlined text)	HMT
Article 57(1) of MiFID II	<p>Member States shall ensure that competent authorities, in line with the methodology for calculation determined by ESMA, establish and apply position limits on the size of a net position which a person can hold at all times in commodity derivatives traded on trading venues and economically equivalent OTC contracts. The limits shall be set on the basis of all positions held by a person and those held on its behalf at an aggregate group level in order to:</p> <ul style="list-style-type: none"> (a) prevent market abuse; (b) support orderly pricing and settlement conditions, including preventing market distorting positions, and ensuring, in particular, convergence between prices of derivatives in the delivery month and spot prices for the underlying commodity, without prejudice to price discovery on the market for the underlying commodity. 	Regulations 16 and 17	HMT

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	Position limits shall not apply to positions held by or on behalf of a non-financial entity and which are objectively measurable as reducing risks directly relating to the commercial activity of that non-financial entity.		
Article 57(2) of MiFID II	Position limits shall specify clear quantitative thresholds for the maximum size of a position in a commodity derivative that persons can hold.	Regulation 18	HMT
Article 57(4) of MiFID II	<p>A competent authority shall set limits for each contract in commodity derivatives traded on trading venues based on the methodology for calculation determined by ESMA in accordance with paragraph 3. That position limit shall include economically equivalent OTC contracts.</p> <p>A competent authority shall review position limits where there is a significant change in deliverable supply or open interest or any other significant change on the market, based on its determination of deliverable supply and open interest and reset the position limit in accordance with the methodology for calculation developed by ESMA.</p>	Regulation 19	HMT
Article 57(5) of MiFID II	Competent authorities shall notify ESMA of the exact position limits they intend to set in accordance with the methodology for calculation established by ESMA under paragraph 3. Within two months following receipt of the notification, ESMA shall issue an opinion to the competent authority concerned assessing the compatibility of position limits with the objectives of paragraph 1 and with the methodology for calculation established by ESMA under paragraph 3. ESMA shall publish the opinion on its website. The competent authority concerned shall modify the position limits in accordance with ESMA's opinion, or provide ESMA with justification why the change is	Regulation 20	HMT

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>considered to be unnecessary. Where a competent authority imposes limits contrary to an ESMA opinion, it shall immediately publish on its website a notice fully explaining its reasons for doing so.</p> <p>[full text not reproduced here]</p>		
Article 57(6) of MiFID II	<p>Where the same commodity derivative is traded in significant volumes on trading venues in more than one jurisdiction, the competent authority of the trading venue where the largest volume of trading takes place (the central competent authority) shall set the single position limit to be applied on all trading in that contract. The central competent authority shall consult the competent authorities of other trading venues on which that derivative is traded in significant volumes on the single position limit to be applied and any revisions to that single position limit. Where competent authorities do not agree, they shall state in writing the full and detailed reasons why they consider that the requirements laid down in paragraph 1 are not met. ESMA shall settle any dispute arising from a disagreement between competent authorities in accordance with its powers under Article 19 of Regulation (EU) No 1095/2010.</p> <p>The competent authorities of the trading venues where the same commodity derivative is traded and the competent authorities of position holders in that commodity derivative shall put in place cooperation arrangements including exchange of relevant data with each other in order to enable the monitoring and enforcement of the single position limit.</p>	Regulation 21 and 22	HMT

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
Article 57(8) of MiFID II	<p>Member States shall ensure that an investment firm or a market operator operating a trading venue which trades commodity derivatives apply position management controls.</p> <p>Those controls shall include at least, the powers for the trading venue to:</p> <ul style="list-style-type: none"> (a) monitor the open interest positions of persons; (b) access information, including all relevant documentation, from persons about the size and purpose of a position or exposure entered into, information about beneficial or underlying owners, any concert arrangements, and any related assets or liabilities in the underlying market; (c) require a person to terminate or reduce a position, on a temporary or permanent basis as the specific case may require and to unilaterally take appropriate action to ensure the termination or reduction if the person does not comply; and (d) where appropriate, require a person to provide liquidity back into the market at an agreed price and volume on a temporary basis with the express intent of mitigating the effects of a large or dominant position. 	Paragraph 1(12) of Schedule 3 inserting paragraph 7BA of the RRR (S)	HMT
Article 57(9) of MiFID II	<p>The position limits and position management controls shall be transparent and non-discriminatory, specifying how they apply to persons and taking account of the nature and composition of market participants and of the use they make of the contracts submitted to trading.</p>	Regulation 23 Paragraph 1(12) of Schedule 3 inserting paragraph 7BA of the RRR (S)	HMT
Article 57(10) of MiFID II	<p>The investment firm or market operator operating the trading venue shall inform the competent authority of the details of position management controls.</p>	Regulation 24 Paragraph 1(12) of Schedule 3 inserting paragraph 7BA of the RRR (S)	HMT

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>The competent authority shall communicate the same information as well as the details of the position limits it has established to ESMA, which shall publish and maintain on its website a database with summaries of the position limits and position management controls.</p>		
Article 57(11) of MiFID II	<p>The position limits of paragraph 1 shall be imposed by competent authorities pursuant to point (p) of Article 69(2)</p>	Regulation 28	HMT
Article 57(13) of MiFID II	<p>Competent authorities shall not impose limits which are more restrictive than those adopted pursuant to paragraph 1 except in exceptional cases where they are objectively justified and proportionate taking into account the liquidity of the specific market and the orderly functioning of that market. Competent authorities shall publish on their website the details of the more restrictive position limits they decide to impose, which shall be valid for an initial period not exceeding six months from the date of their publication on the website. The more restrictive position limits may be renewed for further periods not exceeding six months at a time if the grounds for the restriction continue to be applicable. If not renewed after that six-month period, they shall automatically expire.</p>	Regulation 25	HMT
	<p>Where competent authorities decide to impose more restrictive position limits, they shall notify ESMA. The notification shall include a justification for the more restrictive position limits. ESMA shall, within 24 hours, issue an opinion on whether it considers that the more restrictive position limits are necessary to address the exceptional case. The opinion shall be published on ESMA's website.</p>		

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	Where a competent authority imposes limits contrary to an ESMA opinion, it shall immediately publish on its website a notice fully explaining its reasons for doing so.		
Article 58(1) and (4) (part) of MiFID II	<p>Position reporting by categories of position holders</p> <p>1. Member States shall ensure that an investment firm or a market operator operating a trading venue which trades commodity derivatives or emission allowances or derivatives thereof:</p> <p>(a) make public a weekly report with the aggregate positions held by the different categories of persons for the different commodity derivatives or emission allowances or derivatives thereof traded on their trading venue, specifying the number of long and short positions by such categories, changes thereto since the previous report, the percentage of the total open interest represented by each category and the number of persons holding a position in each category in accordance with paragraph 4 and communicate that report to the competent authority and to ESMA; ESMA shall proceed to a centralised publication of the information included in those reports;</p>	Paragraph 1(12) of Schedule 3 inserting paragraph 7BB of the RRR (S)	HMT

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>(b) provide the competent authority with a complete breakdown of the positions held by all persons, including the members or participants and the clients thereof, on that trading venue, at least on a daily basis.</p> <p>The obligation laid down in point (a) shall only apply when both the number of persons and their open positions exceed minimum thresholds.</p> <p>.....</p> <p>4. Persons holding positions in a commodity derivative or emission allowance or derivative thereof shall be classified by the investment firm or market operator operating that trading venue according to the nature of their main business, taking account of any applicable authorisation, as either:</p> <p>(a) investment firms or credit institutions;</p> <p>(b) investment funds, either an undertaking for collective investments in transferable securities (UCITS) as defined in Directive 2009/65/EC, or an alternative investment fund manager as defined in Directive 2011/61/EC;</p> <p>(c) other financial institutions, including insurance undertakings and reinsurance undertakings as defined in Directive 2009/138/EC, and institutions for occupational retirement provision as defined in Directive 2003/41/EC;</p> <p>(d) commercial undertakings;</p> <p>(e) in the case of emission allowances or derivatives thereof, operators with compliance obligations under Directive 2003/87/EC.</p>		

ARTICLE	TEXT	TRANSPPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>The reports referred to in point (a) of paragraph 1 shall specify the number of long and short positions by category of persons, any changes thereto since the previous report, percent of total open interest represented by each category, and the number of persons in each category.</p> <p>The reports referred to in point (a) of paragraph 1 and the breakdowns referred to in paragraph 2 shall differentiate between:</p> <p>(a) positions identified as positions which in an objectively measurable way reduce risks directly relating to commercial activities; and</p> <p>(b) other positions.</p>		
Article 59(2) (part) of MiFID II	By way of derogation from paragraph 1, Member States shall allow an investment firm or a market operator operating a trading venue to operate the data reporting services of an APA, a CTP and an ARM, subject to the prior verification of their compliance with this Title. Such a service shall be included in their authorisation.	Paragraph 1(17) of Schedule 3 inserting paragraph 9I of the RRR (S)	HMT
Article 67(1) of MiFID II	Each Member State shall designate the competent authorities which are to carry out each of the duties provided for under the different provisions of Regulation (EU) No 600/2014 and of this Directive. Member States shall inform the Commission, ESMA and the competent authorities of other Member States of the identity of the competent authorities responsible for enforcement of each of those duties, and of any division of those duties.	Regulation 3 (in relation to duties under Title I to IV and VI and VII of MiFID II) Paragraph 3 and 4 of Schedule 1	HMT
Article 68 of MiFID II	If a Member State designates more than one competent authority to enforce a provision of this Directive or of Regulation (EU) No 600/2014, their respective roles shall be clearly defined and they shall cooperate closely.	Paragraph 6 of Schedule 1	HMT

ARTICLE	TEXT	TRANSPPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>Each Member State shall require that such cooperation also take place between the competent authorities for the purposes of this Directive or of Regulation (EU) No 600/2014 and the competent authorities responsible in that Member State for the supervision of credit and other financial institutions, pension funds, UCITS, insurance and reinsurance intermediaries and insurance undertakings.</p> <p>Member States shall require that competent authorities exchange any information which is essential or relevant to the exercise of their functions and duties.</p>		
<p>Article 69(1) and (2) of MiFID II (excluding parts of paragraph 1 and the second sub-paragraph of paragraph 2)</p>	<p>1. Competent authorities shall be given all supervisory powers, including investigatory powers and powers to impose remedies, necessary to fulfil their duties under this Directive and under Regulation (EU) No 600/2014.</p> <p>2. The powers referred to in paragraph 1 shall include, at least, the following powers to:</p> <ul style="list-style-type: none"> (a) have access to any document or other data in any form which the competent authority considers could be relevant for the performance of its duties and receive or take a copy of it; (b) require or demand the provision of information from any person and if necessary to summon and question a person with a view to obtaining information; (c) carry out on-site inspections or investigations; (d) require existing recordings of telephone conversations or electronic communications or other data traffic records held by an investment firm, a credit institution, or any other entity regulated by this Directive or by Regulation (EU) No 600/2014; (e) require the freezing or the sequestration of assets, or both; 	<p><i>Article 69(2)(a) to (d):</i></p> <p>Paragraphs 8 and 19 of Schedule 1 Paragraph 6(2)(a) and (d) of Schedule 3 inserting new article 2 (2)(aa) and (8)(aa) in the QEPO</p> <p><i>Article 69(2)(e)</i></p> <p>Paragraph 21 of Schedule 1 Paragraph 6(5)(a) of Schedule 3 inserting new article 5(2)(aa) in the QEPO and amending article 5 (2)(a) of article 5 of the QEPO.</p> <p><i>Article 69(2)(f)</i></p>	HMT

ARTICLE	TEXT	TRANSPPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>(f) require the temporary prohibition of professional activity;</p> <p>(g) require the auditors of authorised investment firms, regulated markets and data reporting services providers to provide information;</p> <p>(h) refer matters for criminal prosecution;</p> <p>(i) allow auditors or experts to carry out verifications or investigations;</p> <p>(j) require or demand the provision of information including all relevant documentation from any person regarding the size and purpose of a position or exposure entered into via a commodity derivative, and any assets or liabilities in the underlying market;</p> <p>(k) require the temporary or permanent cessation of any practice or conduct that the competent authority considers to be contrary to the provisions of Regulation (EU) No 600/2014 and the provisions adopted in the implementation of this Directive and prevent repetition of that practice or conduct;</p> <p>(l) adopt any type of measure to ensure that investment firms, regulated markets and other persons to whom this Directive or Regulation (EU) No 600/2014 applies, continue to comply with legal requirements;</p> <p>(m) require the suspension of trading in a financial instrument;</p> <p>(n) require the removal of a financial instrument from trading, whether on a regulated market or under other trading arrangements;</p> <p>(o) request any person to take steps to reduce the size of the position or exposure;</p> <p>(p) limit the ability of any person from entering into a commodity derivative, including by introducing limits on the</p>	<p>Paragraph 6(4)(b) of Schedule 3 inserting new article 4(5)(aa) in the QEPO</p> <p><i>Article 69(2)(h)</i></p> <p>Paragraphs 16, 19, 20 and 23 of Schedule 1.</p> <p><i>Article 69(2)(j)</i></p> <p>Paragraph 19 of Schedule 1 and paragraph 6(2)(a) of Schedule 3 inserting paragraph (2)(aa) of article 2 of the QEPO.</p> <p><i>Article 69(2)(k)</i></p> <p>Paragraph 6(5)(a) of Schedule 3 inserting new article 5(2)(aa) in the QEPO and amending article 5 (2)(a) of article 5 of the QEPO.</p> <p><i>Article 69(2)(o):</i></p> <p>Regulation 25</p> <p><i>Article 69(2) (q)</i></p>	

ARTICLE	TEXT	TRANSPPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>size of a position any person can hold at all times in accordance with Article 57 of this Directive;</p> <p>(q) issue public notices;</p> <p>(r) require, in so far as permitted by national law, existing data traffic records held by a telecommunication operator, where there is a reasonable suspicion of an infringement and where such records may be relevant to an investigation into infringements of this Directive or of Regulation (EU) No 600/2014;</p> <p>(s) suspend the marketing or sale of financial instruments or structured deposits where the conditions of Articles 40, 41 or 42 of Regulation (EU) No 600/2014 are met;</p> <p>(t) suspend the marketing or sale of financial instruments or structured deposits where the investment firm has not developed or applied an effective product approval process or otherwise failed to comply with Article 16(3) of this Directive;</p> <p>(u) require the removal of a natural person from the management board of an investment firm or market operator.</p> <p>.....</p> <p>Member States shall ensure that mechanisms are in place to ensure that compensation may be paid or other remedial action be taken in accordance with national law for any financial loss or damage suffered as a result of an infringement of this Directive or of Regulation (EU) No 600/2014.</p>	<p>Paragraphs 22 and 29 of Schedule 1.</p> <p>Paragraph 6(4)(b) and (c) of Schedule 3 inserting new Article 4(5)(aa) and (7)(aa) in the QEPO.</p> <p><i>Article 69(2)(r)</i></p> <p>Paragraph 19 of Schedule 1</p> <p>Paragraph 6(2)(a) of Schedule 3 inserting paragraph (2)(aa) of article 2 of the QEPO.</p> <p><i>Article 69(2)(u)</i></p> <p>Part 5</p> <p><i>Article 69(2) Final paragraph</i></p> <p>Paragraph 21 of Schedule 1</p> <p>Paragraph 6(5)(a) and (b) of Schedule 3 inserting new article 5(2)(aa) in the QEPO and amending article 5 (2)(a) of the QEPO</p>	

ARTICLE	TEXT	TRANSPPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
Art 70(1) (excluding third sub-paragraph) and (3) (part)	<p>Sanctions for infringements</p> <p>1. Without prejudice to the supervisory powers including investigatory powers and powers to impose remedies of competent authorities in accordance with Article 69 and the right for Member States to provide for and impose criminal sanctions, Member States shall lay down rules on and ensure that their competent authorities may impose administrative sanctions and measures applicable to all infringements of this Directive or of Regulation (EU) No 600/2014 and the national provisions adopted in the implementation of this Directive and of Regulation (EU) No 600/2014, and shall take all measures necessary to ensure that they are implemented. Such sanctions and measures shall be effective, proportionate and dissuasive and shall apply to infringements even where they are not specifically referred to in paragraphs 3, 4 and 5.</p> <p>Member States may decide not to lay down rules for administrative sanctions for infringements which are subject to criminal sanctions under their national law. In that case, Member States shall communicate to the Commission the relevant criminal law provisions.</p> <p>.....</p> <p>3. Member States shall ensure that at least an infringement of the following provisions of this Directive or of Regulation (EU)</p>	<p>See also paragraphs 2 and 5 of Schedule 1</p> <p>Paragraphs 10, 11 and 21 of Schedule 1</p>	HMT

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>No. 600/2014 shall be regarded as an infringement of this Directive or of Regulation (EU) No. 600/2014:</p> <p>(a) with regard to this Directive:</p> <ul style="list-style-type: none"> (i) point (b) of Article 8; (ii) Article 9(1) to (6); (iii) Article 11(1) and (3); (iv) Article 16(1) to (11); (v) Article 17(1) to (6); (vi) Article 18(1) to (9) and the first sentence of Article 18(10); (vii) Articles 19 and 20; (viii) Article 21(1); (ix) Article 23(1), (2) and (3); (x) Article 24(1) to (5) and (7) to (10) and the first and second subparagraphs of Article 24(11); (xi) Article 25(1) to (6); (xii) the second sentence of Article 26(1) and Article 26(2) and (3); (xiii) Article 27(1) to (8); (xiv) Article 28(1) and (2); (xv) the first subparagraph of Article 29(2), the third subparagraph of Article 29(2), the first sentence of Article 29(3), the first subparagraph of Article 29(4), and Article 29(5); (xvi) the second subparagraph of Article 30(1), the first sentence of the second subparagraph of Article 30(3); (xvii) Article 31(1), the first subparagraph of Article 31(2) and Article 31(3); (xviii) Article 32(1), the first, second and fourth subparagraphs of Article 32(2); (xix) Article 33(3); 		

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>(xx) Article 34(2), the first sentence of Article 34(4), the first sentence of Article 34(5), the first sentence of Article 34(7);</p> <p>(xxi) Article 35(2), the first subparagraph of Article 35(7), the first sentence of Article 35(10);</p> <p>(xxii) Article 36(1);</p> <p>(xxiii) the first subparagraph and the first sentence of the second subparagraph of Article 37(1), and the first subparagraph of Article 37(2);</p> <p>(xxiv) the fourth subparagraph of Article 44(1), the first sentence of Article 44(2), the first subparagraph of Article 44(3) and point (b) of Article 44(5);</p> <p>(xxv) Article 45(1) to (6) and (8);</p> <p>(xxvi) Article 46(1), points (a) and (b) of Article 46(2);</p> <p>(xxvii) Article 47;</p> <p>(xxviii) Article 48(1) to (11);</p> <p>(xxix) Article 49(1);</p> <p>(xxx) Article 50(1);</p> <p>(xxxi) Article 51(1) to (4) and the second sentence of Article 51(5);</p> <p>(xxxii) Article 52(1), the first, second and fifth subparagraphs of Article 52(2);</p> <p>(xxxiii) Article 53(1), (2) and (3) and the first sentence of the second subparagraph of Article 53(6), Article 53(7);</p> <p>(xxxiv) Article 54(1), the first subparagraph of Article 54(2) and Article 54(3);</p> <p>(xxxv) Article 57(1) and (2), Article 57(8) and the first subparagraph of Article 57(10);</p> <p>(xxxvi) Article 58(1) to (4);</p> <p>(xxxvii) Article 63(1), (3) and (4);</p> <p>(xxxviii) Article 64(1) to (5);</p>		

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>(xxxix) Article 65(1) to (5); (xxxx) Article 66(1) to (4); and</p> <p>(b) with regard to Regulation (EU) No 600/2014:</p> <p>(i) Articles 3(1) and (3); (ii) the first subparagraph of Article 4(3); (iii) Article 6; (iv) the first sentence of third subparagraph of Article 7(1); (v) Article 8(1), (3) and, (4); (vi) Article 10; (vii) the first sentence of third subparagraph of Article 11(1) and the third subparagraph of Article 11(3); (viii) Article 12(1); (ix) Article 13(1); (x) Article 14(1), the first sentence of Article 14(2) and the second, third and fourth sentence of Article 14(3); (xi) the first subparagraph and the first and third sentences of second subparagraph of Article 15(1), Article 15(2) and the second sentence of Article 15(4); (xii) the second sentence of Article 17(1); (xiii) Article 18(1) and (2), first sentence of Article 18(4), first sentence of Article 18(5), the first subparagraph of Article 18(6), Article 18(8) and (9); (xiv) Article 20(1) and the first sentence of Article 20(2); (xv) Article 21(1), (2) and (3); (xvi) Article 22(2); (xvii) Article 23(1) and (2); (xviii) Article 25(1) and (2);</p>		

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>(xix) the first subparagraph of Article 26(1), Article 26(2) to (5), the first subparagraph of Article 26(6), the first to fifth and eighth subparagraph of Article 26(7);</p> <p>(xx) Article 27(1);</p> <p>(xxi) Article 28(1) and the first subparagraph of Article 28(2);</p> <p>(xxii) Article 29(1) and (2);</p> <p>(xxiii) Article 30(1);</p> <p>(xxiv) Article 31(2) and (3);</p> <p>(xxv) Article 35(1), (2) and (3);</p> <p>(xxvi) Article 36(1), (2) and (3);</p> <p>(xxvii) Article 37(1) and (3);</p> <p>(xxviii) Articles 40, 41 and 42.</p>		
Art 70(2) of MIFID 2	<p>Member States shall ensure that where obligations apply to investment firms, market operators, data reporting services providers, credit institutions in relation to investment services or investment activities and ancillary services, and branches of third-country firms in the case of an infringement, sanctions and measures can be applied, subject to the conditions laid down in national law in areas not harmonised by this Directive, to the members of the investment firms' and market operators' management body, and any other natural or legal persons who, under national law, are responsible for an infringement.</p>	<p>Paragraphs 10 and 11 of Schedule 1</p> <p>Paragraph 6(2)(a) and (c) of Schedule 3 inserting new article 2)(aa) and (6)(aa) in the QEPO .</p>	HMT
Article 70(5) of MIFID 2	<p>Failure to cooperate or comply in an investigation or with an inspection or request covered by Article 69 shall also be regarded as an infringement of this Directive.</p>	<p>Paragraph 19 of Schedule 1</p> <p>Paragraph 6(2)(a) of Schedule 3 inserting new article 2(aa) in the QEPO r.</p>	HMT
Article 70(6) of MiFID II	<p>In the cases of infringements referred to in paragraphs 3, 4 and 5, Member States shall, in conformity with national law, provide</p>	<p>See below</p>	HMT

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	that competent authorities have the power to take and impose at least the following administrative sanctions and measures:		
(a)	a public statement, which indicates the natural or legal person and the nature of the infringement in accordance with Article 71;	Paragraph 10 of Schedule 1 Paragraph 6(3)(a) of Schedule 3 inserting new article 3(2)(aa) in the QEPO and amending article 3(3)(a) of the QEPO. Paragraph 6(4)(b) and (c) of Schedule 3 inserting new article 4((5)(aa) and (7)(aa) in the QEPO	HMT
(b)	an order requiring the natural or legal person to cease the conduct and to desist from a repetition of that conduct;	Paragraph 21 of Schedule 1 Paragraph 6(2)(a) and (c) of Schedule 3 inserting a new article 2(2)(aa) and (6)(aa) in the QEPO..	HMT
(c)	in the case of an investment firm, a market operator authorised to operate an MTF or OTF, a regulated market, an APA, a CTP and an ARM, withdrawal or suspension of the authorisation of the institution in accordance with Articles 8, 43 and 65;	Paragraph 6(3)(a) and (b) of Schedule 3 inserting new article 3(2)(aa) in the QEPO and amending article 3(3)(a) of the QEPO Paragraph 6(4)(a) of Schedule 3 inserting new article 4(3)(aa) in the QEPO.	
(f) to (h)	(f) in the case of a legal person, maximum administrative fines of at least EUR 5 000 000, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014, or of up to 10 % of the total annual	Paragraph 11 of Schedule 1 Paragraph 6(3)(a) of Schedule 3 inserting new article 3 (2)(aa) in the	HMT

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	<p>turnover of the legal person according to the last available accounts approved by the management body; where the legal person is a parent undertaking or a subsidiary of the parent undertaking which has to prepare consolidated financial accounts in accordance with Directive 2013/34/EU, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant accounting legislative acts according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking;</p> <p>(g) in the case of a natural person, maximum administrative fines of at least EUR 5 000 000, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014;</p> <p>(h) maximum administrative fines of at least twice the amount of the benefit derived from the infringement where that benefit can be determined, even if that exceeds the maximum amounts in points (f) and (g).</p>	<p>QEPO and amending article 3(a) of the QEPO.</p> <p>Paragraph 6(4)(b) and (c) of Schedule 3 inserting new article 4(5)(aa) and (7)(aa) in QEPO Order.</p>	
Article 70(7) of MiFID 2	<p>Member States may empower competent authorities to impose types of sanction in addition to those referred to in paragraph 6 or to impose fines exceeding the amounts referred to in points (f), (g) and (h) of paragraph 6.</p>		HMT
Article 71(1) of MiFID II	<p>Member States shall provide that competent authorities publish any decision imposing an administrative sanction or measure for infringements of Regulation (EU) No 600/2014 or of the national provisions adopted in the implementation of this Directive on their official websites without undue delay after the person on whom the sanction was imposed has been informed of that decision. The publication shall include at least information on the type and nature of the infringement and the identity of the</p>	<p>Paragraphs 10 and 22 of Schedule 1</p> <p>Paragraph 46 of Schedule 2 inserting a new section 391D into FSMA</p>	HMT

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>persons responsible. That obligation does not apply to decisions imposing measures that are of an investigatory nature.</p> <p>However, where the publication of the identity of the legal persons or of the personal data of the natural persons is considered by the competent authority to be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where publication jeopardises the stability of financial markets or an on-going investigation, Member States shall ensure that competent authorities shall either:</p> <ul style="list-style-type: none"> (a) defer the publication of the decision to impose the sanction or measure until the moment where the reasons for non-publication cease to exist; (b) publish the decision to impose the sanction or measure on an anonymous basis in a manner which complies with national law, if such anonymous publication ensures an effective protection of the personal data concerned; (c) not publish the decision to impose a sanction or measure at all in the event that the options set out in points (a) and (b) are considered to be insufficient to ensure: <ul style="list-style-type: none"> (i) that the stability of financial markets would not be put in jeopardy; (ii) the proportionality of the publication of such decisions with regard to measures which are deemed to be of a minor nature. <p>In the case of a decision to publish a sanction or measure on an anonymous basis, the publication of the relevant data may be postponed for a reasonable period of time if it is envisaged that</p>		

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	within that period the reasons for anonymous publication shall cease to exist.		
Article 71(2) of MiFID II	Where the decision to impose a sanction or measure is subject to appeal before the relevant judicial or other authorities, competent authorities shall also publish, immediately, on their official website such information and any subsequent information on the outcome of such appeal. Moreover, any decision annulling a previous decision to impose a sanction or a measure shall also be published.	Paragraph 22 of Schedule 1 Paragraph 46 of Schedule 2 inserting a new section 391D into FSMA	HMT
Article 71(4) of MiFID II	<u>Member States shall provide ESMA annually with aggregated information regarding all sanctions and measures imposed in accordance with paragraphs 1 and 2. That obligation does not apply to measures of an investigatory nature. ESMA shall publish that information in an annual report.</u>	Regulation 45 (in relation to the underlined text)	HMT
Article 71(5) of MiFID II	Where the competent authority has disclosed an administrative measure, sanction or criminal sanction to the public, it shall, at the same time, report that fact to ESMA.	Paragraph 22 of Schedule 1 Paragraph 46 of Schedule 2 inserting a new section 391D into FSMA	HMT
Article 73(2) of MiFID II	Member States shall require investment firms, market operators, data reporting services providers, credit institutions in relation to investment services or activities and ancillary services, and branches of third-country firms to have in place appropriate procedures for their employees to report potential or actual infringements internally through a specific, independent and autonomous channel.	Paragraph 1(14) of Schedule 3 amending paragraph 9 of the RRR (S)	HMT
Article 74(1) of MiFID II	Member States shall ensure that any decision taken under the provisions of Regulation (EU) No 600/2014 or under laws, regulations or administrative provisions adopted in accordance with this Directive is properly reasoned and is subject to the right	Paragraphs 12, 13, 18, 21 and 22 of Schedule 1	HMT

ARTICLE	TEXT	TRANSPPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>of appeal before a tribunal. The right of appeal before a tribunal shall also apply where, in respect of an application for authorisation which provides all the information required, no decision is taken within six months of its submission.</p>		
<p>Article 76(1) of MiFID II</p>	<p>Member States shall ensure that competent authorities, all persons who work or who have worked for the competent authorities or entities to whom tasks are delegated pursuant to Article 67(2), as well as auditors and experts instructed by the competent authorities, are bound by the obligation of professional secrecy. They shall not divulge any confidential information which they may receive in the course of their duties, save in summary or aggregate form such that individual investment firms, market operators, regulated markets or any other person cannot be identified, without prejudice to requirements of national criminal or taxation law or the other provisions of this Directive or of Regulation (EU) No 600/2014.</p>	<p>Paragraphs 20 and 28 of Schedule 1</p>	<p>HMT</p>
<p>Article 77(1) and (2) of MiFID II</p>	<p>1. Member States shall provide, at least, that any person authorised within the meaning of Directive 2006/43/EC of the European Parliament and of the Council (1), performing in an investment firm, a regulated market or a data reporting services provider the task described in Article 34 of Directive 2013/34/EU or Article 73 of Directive 2009/65/EC or any other task prescribed by law, shall have a duty to report promptly to the competent authorities any fact or decision concerning that undertaking of which that person has become aware while carrying out that task and which is liable to:</p> <p>(a) constitute a material infringement of the laws, regulations or administrative provisions which lay down the conditions governing authorisation or which specifically govern pursuit of the activities of investment firms;</p>	<p>Paragraph 29 of Schedule 1</p>	<p>HMT</p>

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
Article 79(1) (part) and (3) of MiFID II	<p>(b) affect the continuous functioning of the investment firm; (c) lead to refusal to certify the accounts or to the expression of reservations.</p> <p>That person shall also have a duty to report any facts and decisions of which the person becomes aware in the course of carrying out one of the tasks referred to in the first subparagraph in an undertaking having close links with the investment firm within which he is carrying out that task.</p> <p>2. The disclosure in good faith to the competent authorities, by persons authorised within the meaning of Directive 2006/43/EC, of any fact or decision referred to in paragraph 1 shall not constitute a breach of any contractual or legal restriction on disclosure of information and shall not involve such persons in liability of any kind.</p> <p>Competent authorities of different Member States shall cooperate with each other where necessary for the purpose of carrying out their duties under this Directive or under Regulation (EU) No 600/2014, making use of their powers whether set out in this Directive or in Regulation (EU) No 600/2014 or in national law.</p> <p>Where Member States have chosen, in accordance with Article 70, to lay down criminal sanctions for infringements of the provisions referred to in that Article, they shall ensure that appropriate measures are in place so that competent authorities have all the necessary powers to liaise with judicial authorities within their jurisdiction to receive specific information relating to criminal investigations or proceedings commenced for possible</p>	Paragraph 6 and 19 of Schedule 1	HMT

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>infringements of this Directive and of Regulation (EU) No 600/2014 and provide the same to other competent authorities and ESMA to fulfil their obligation to cooperate with each other and ESMA for the purposes of this Directive and of Regulation (EU) No 600/2014.</p> <p>Competent authorities shall render assistance to competent authorities of the other Member States. In particular, they shall exchange information and cooperate in any investigation or supervisory activities.</p> <p>...</p> <p>3. Member States shall take the necessary administrative and organisational measures to facilitate the assistance provided for in paragraph 1</p> <p>Competent authorities may use their powers for the purpose of cooperation, even where the conduct under investigation does not constitute an infringement of any regulation in force in that Member State.</p>		
Article 80(1) of MiFID II	<p>A competent authority of one Member State may request the cooperation of the competent authority of another Member State in a supervisory activity or for an on-the-spot verification or in an investigation. In the case of investment firms that are remote members or participants of a regulated market the competent authority of the regulated market may choose to address them directly, in which case it shall inform the competent authority of the home Member State of the remote member or participant accordingly.</p>	Paragraph 19 of Schedule 1	HMT

ARTICLE	TEXT	TRANSPPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
	<p>Where a competent authority receives a request with respect to an on- the-spot verification or an investigation, it shall, within the framework of its powers:</p> <p>(a) carry out the verifications or investigations itself;</p> <p>(b) allow the requesting authority to carry out the verification or investigation;</p> <p>(c) allow auditors or experts to carry out the verification or investigation.</p>		
Article 84(1) of MiFID II	<p>The competent authorities of the other Member State involved shall be consulted prior to granting authorisation to an investment firm which is any of the following:</p> <p>(a) a subsidiary of an investment firm or market operator or credit institution authorised in another Member State;</p> <p>(b) a subsidiary of the parent undertaking of an investment firm or credit institution authorised in another Member State;</p> <p>(c) controlled by the same natural or legal persons who control an investment firm or credit institution authorised in another Member State.</p>	Paragraph 5 of Schedule 2 amending section 55R of FSMA	HMT
Article 84(2) of MiFID II	<p>The competent authority of the Member State responsible for the supervision of credit institutions or insurance undertakings shall be consulted prior to granting an authorisation to an investment firm or market operator which is any of the following:</p> <p>(a) a subsidiary of a credit institution or insurance undertaking authorised in the Union;</p> <p>(b) a subsidiary of the parent undertaking of a credit institution or insurance undertaking authorised in the Union;</p> <p>(c) controlled by the same person, whether natural or legal, who controls a credit institution or insurance undertaking authorised in the Union.</p>	Paragraphs 5 and 30 of Schedule 2 amending section 55R of FSMA and repealing section 412A and 412B of FSMA	HMT

ARTICLE	TEXT	TRANSPOSITION IN FINANCIAL SERVICES AND MARKETS ACT 2000 (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2017	RESPONSIBLE BODY
Annex 2 – Section 2.2 of MiFID II	<p>II.2 Procedure</p> <p>....</p> <p>However, if clients have already been categorised as professionals under parameters and procedures similar to those referred to above, it is not intended that their relationships with investment firms shall be affected by any new rules adopted pursuant to this Annex.</p> <p>[the full text is not reproduced here and other parts of Section 2.2 may be relevant]</p>	Paragraph 6 of Schedule 2 amending section 86 of FSMA	HMT