

Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (Text with EEA relevance)

CHAPTER III

OPERATING CONDITIONS FOR INVESTMENT FIRMS

SECTION 9

SME growth markets

Article 77

Qualification as an SME ^{F1}...

1 An issuer whose shares have been admitted to trading for less than three years shall be deemed an SME for the purpose of [^{F2}rule 5.10.2(1) of the Market Conduct sourcebook] where its market capitalisation is below EUR 200 million based on any of the following:

- a the closing share price of the first day of trading, if its shares have been admitted to trading for less than one year;
- b the last closing share price of the first year of trading, if its shares have been admitted to trading for more than one year but less than two years;
- c the average of the last closing share prices of each of the first two years of trading, if its shares have been admitted to trading for more than two years but less than three years.

[^{F3}2 An issuer that has no equity instrument traded on any trading venue shall be deemed an SME for the purposes of [^{F4}regulation 2(1) of the Markets in Financial Instruments Regulation 2017] if the nominal value of its debt issuances over the previous calendar year, on all trading venues across the [^{F5}United Kingdom], does not exceed EUR 50 million.]

Textual Amendments

- F1** Words in [Art. 77](#) heading omitted (31.12.2020) by virtue of [The Markets in Financial Instruments \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1403\)](#), regs. 1(3), **51(1)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F2** Words in [Art. 77\(1\)](#) substituted (31.12.2020) by [The Markets in Financial Instruments \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1403\)](#), regs. 1(3), **51(1)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F3** Substituted by [Commission Delegated Regulation \(EU\) 2019/1011 of 13 December 2018 amending Commission Delegated Regulation \(EU\) 2017/565 as regards certain registration conditions to promote the use of SME growth markets for the purposes of Directive 2014/65/EU of the European Parliament and of the Council \(Text with EEA relevance\)](#).
- F4** Words in [Art. 77\(2\)](#) substituted (31.12.2020) by [The Markets in Financial Instruments \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1403\)](#), regs. 1(3), **51(1)(c)(i)** (as substituted by S.I. 2019/1390, regs. 1(4), 9(3)(a)); 2020 c. 1, Sch. 5 para. 1(1)

Changes to legislation: There are outstanding changes not yet made to Commission Delegated Regulation (EU) 2017/565. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- F5** Words in Art. 77(2) substituted (31.12.2020) by [The Markets in Financial Instruments \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1403\)](#), regs. 1(3), **51(1)(c)(ii)** (as substituted by S.I. 2019/1390, regs. 1(4), 9(3)(a)); 2020 c. 1, Sch. 5 para. 1(1)

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There are outstanding changes not yet made to Commission Delegated Regulation (EU) 2017/565. Any changes that have already been made to the legislation appear in the content and are referenced with annotations.

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Changes and effects yet to be applied to :

- Regulation power to amend or revoke conferred by [2023 c. 29 s. 1517](#)
- Regulation power to modify conferred by [2023 c. 29 s. 3Sch. 1 Pt. 3](#)
- Regulation power to modify conferred by [2023 c. 29 s. 1317](#)
- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 3](#)
- Art. 77(2) words substituted by [S.I. 2018/1403 reg. 51\(1\)\(c\)](#) (This amendment not applied to legislation.gov.uk. Reg. 51(1)(c) substituted immediately before IP completion day by S.I. 2019/1390, regs. 1(4), 9(3)(a))

Changes and effects yet to be applied to the whole legislation item and associated provisions

- Art. 3(1B) omitted by [S.I. 2022/1297 reg. 2\(3\)](#)
- Art. 3(1ZA) inserted by [S.I. 2022/1297 reg. 2\(2\)\(b\)](#)