

## ESMA clarifies MiFIR quoting obligations for systematic internalisers

RTS 1 further details the transparency requirements for equity instruments, including the quoting obligations for Systematic Internalisers (SIs) under the Markets in Financial Instruments Regulation (MiFIR). In proposing to amend RTS 1, ESMA is aiming to level the playing field between trading venues and SIs and contribute to an efficient price discovery mechanism.

Over recent months, ESMA identified that further clarification around the concept of “prices reflecting prevailing market conditions” might be required to avoid SIs benefitting from a competitive advantage compared to trading venues.

ESMA, therefore, decided to clarify that SI quotes should reflect the minimum price increments applicable to EU trading venues. This means that SIs’ quotes would only reflect prevailing market conditions where, for instruments subject to the tick size regime, those quotes reflect the minimum price increments applicable to on-venue orders and quotes.

ESMA has sent its proposal to amend RTS 1 for endorsement to the European Commission.