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**INFORMATION BY OPERATORS OF MULTILATERAL TRADING FACILITIES** **(MTFs) and ORGANISED TRADING FACILITIES (OTFs)**

**Name of applicant/Cyprus Investment Firm: «…..……………………………..»**

**Purpose of this form**

This form should be completed by an applicant in order to provide to the Cyprus Securities and Exchange Commission complete information about the purpose, structure and organisation of multilateral trading facilities (MTFs) and organised trading facilities (OTFs) in accordance with *Commission Implementing Regulation (EU) 2016/824 of 25 May 2016 laying down implementing technical standards with regard to the content and format of the description of the functioning of multilateral trading facilities and organised trading facilities and the notification to the European Securities and Markets Authority according to Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments* (the “Implementing Regulation (EU) 2016/824”). This form accompanies the application for the granting of CIF authorisation (Form 87-000-01) in the case that the applicant intends to operate an MTF or an OTF in the case of a new application or a change to the authorisation already obtained.

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**GENERAL INSTRUCTIONS**:

1. The Form must be completed in electronic form. An electronic version of it can be downloaded from the website of the Cyprus Securities and Exchange Commission (“the Commission”) at the address www.cysec.gov.cy.
2. The questions should remain unaltered and the answers must be provided below each question.
3. All applicable questions should be duly completed, or, if they are not applicable please see point 7 (c) below.
4. When completing this Form, information which is publicly available or has previously been disclosed to the Commission or to another supervisory authority, should not be considered as known by the Commission.
5. This **Form accompanies the Application for the granting of CIF authorisation (Form 87-00-01)** in the case of a new application or a change to the authorisation already obtained.
6. The following definitions are used in the Form
7. “Relevant operator”[[1]](#footnote-1) means:
8. an investment firm operating a multilateral trading facility (MTF);
9. an investment firm operating an organised trading facility (OTF);
10. a market operator operating an MTF;
11. a market operator operating an OTF;
12. “Law” means the Investments Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017).
13. As per Article 9 (4) of Implementing Regulation (EU) 2016/824 when providing the information requested in this Form, a relevant operator shall:

(a) give a unique reference number to each document it submits;

(b) ensure that the information it submits clearly identifies which specific requirement of the Implementing Regulation (EU) 2016/824 it refers to and in which document that information is provided by using the unique reference number to identify the document;

(c) ensure that if a requirement does not apply to it, that fact is stated together with an explanation.

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| **Name of relevant operator for which the application is submitted:** |  |

# **PART A: INFORMATION BY OPERATORS OF MTFs[[2]](#footnote-2) AND OTFs**

Please provide the following information:

| **Article of Implementing Regulation (EU) 2016/824** | **Document reference number** | **Title of the document** | **Chapter or section or page of the document where the information is provided or reasons why the information has not been provided** | **For internal use by the Commission** |
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| **Article 2 (1)** |  |  |  |  |
| 2 (1) The relevant operator shall provide the following: |  |  |  |  |
| 2 (1) (a) the asset classes[[3]](#footnote-3) of financial instruments traded on the MTF or OTF; |  |  |  |  |
| 2 (1) (b) the rules and procedures for making financial instruments available for trading[[4]](#footnote-4), together with details of the publication arrangements used to make that information available to the public; |  |  |  |  |
| 2 (1) (c) the rules and procedures to ensure the objective and non-discriminatory access to the trading facilities together with details on the publication arrangements used to make that information available to the public;[[5]](#footnote-5) |  |  |  |  |
| 2 (1) (d) the measures and procedures to ensure that sufficient information is publicly available to users of the MTF or OTF to form an investment judgement, taking into account both the nature of the users and the classes of financial instruments traded; |  |  |  |  |
| 2 (1) (e) the systems, procedures and arrangements to ensure compliance with the conditions laid down in Articles 49 and 50 of the Law; |  |  |  |  |
| 2 (1) (f) a detailed description of any arrangements to facilitate the provision of liquidity to the system such as market making schemes; |  |  |  |  |
| 2 (1) (g) the arrangements and procedures to monitor transactions as required by Article 32 of the Law; |  |  |  |  |
| 2 (1) (h) the rules and procedures for suspension and removal of financial instruments from trading as required by Article 33 of the Law; |  |  |  |  |
| 2 (1) (i) the arrangements to comply with pre-trade and post-trade transparency obligations that apply to the financial instruments traded and the trading functionality of the MTF or OTF; that information shall be accompanied by information on any intention to use waivers under Articles 4 and 9 of Regulation (EU) No 600/2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“MiFIR”) and deferred publication under Articles 7 and 11 of that MiFIR; |  |  |  |  |
| 2 (1) (j) the arrangements for the efficient settlement of the transactions effected under its systems[[6]](#footnote-6) and for ensuring that users are aware of their respective responsibilities in this regard; |  |  |  |  |
| 2 (1) (k) a list of the members or participants of the MTF or OTF which it operates.[[7]](#footnote-7) |  |  |  |  |
| **Article 2 (2)** |  |  |  |  |
| 2 (2) (1) A relevant operator shall provide a detailed description of the functioning of its trading system specifying: |  |  |  |  |
| 2 (2) (1) (a) whether the system represents a voice, electronic or hybrid functionality; |  |  |  |  |
| 2 (2) (1) (b) in the case of an electronic or hybrid trading system, the nature of any algorithm or program used to determine the matching and execution of trading interests; |  |  |  |  |
| 2 (2) (1) (c) in the case of a voice trading system, the rules and protocols used to determine the matching and execution of trading interests; |  |  |  |  |
| 2 (2) (1) (d) a description explaining how the trading system satisfies each element of the definition of an MTF or an OTF. |  |  |  |  |
| **Article 2 (3)** |  |  |  |  |
| 2 (3) A relevant operator shall provide information on how and in what instances the operation of the MTF or OTF will give rise to any potential conflicts between the interests of the MTF or OTF, its operator or its owners and the sound functioning of the MTF or OTF. The relevant operator shall specify the procedures and arrangements to comply with the requirements set out in Article 19(4) of the Law. |  |  |  |  |
| **Article 2 (4)** |  |  |  |  |
| 2 (4) Provide the following information on the relevant operator’s outsourcing arrangements that relate to the management, operation or oversight of the MTF or OTF: |  |  |  |  |
| (a) the organisational measures to identify the risks in relation to those outsourced activities and to monitor the outsourced activities; |  |  |  |  |
| (b) the contractual agreement between the relevant operator and the entity providing the outsourced service in which the nature, scope, objectives, and service level agreements are outlined. |  |  |  |  |
| **Article 2 (5)** |  |  |  |  |
| 2 (5) Provide information on any links to or participation by a regulated market, MTF, OTF or systematic internaliser owned by the same relevant operator. |  |  |  |  |

**PART B: ADDITIONAL INFORMATION BY OPERATORS OF MTFs**[[8]](#footnote-8)

| **Article of Implementing Regulation (EU) 2016/824** | **Document reference number** | **Title of the document** | **Chapter or section or page of the document where the information is provided or reasons why the information has not been provided** | **For internal use by the Commission** |
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| **Article 3** |  |  |  |  |
| 3. Please provide the following information relating to the requirements set out in Article 20 (3) of the Law: |  |  |  |  |
| 3 (a) a description of the arrangements and the systems implemented to manage the risks to which the operator is exposed, to identify all significant risks to its operation and to put in place effective measures to mitigate those risks; |  |  |  |  |
| 3 (b) a description of the arrangements implemented to facilitate the efficient and timely finalisation of the transactions executed under the operator's systems; |  |  |  |  |
| 3 (c) having regard to the nature and extent of the transactions concluded on the market and the range and degree of the risks to which the operator is exposed, a description of the financial resources considered sufficient to facilitate its orderly functioning. |  |  |  |  |

# **PART C: ADDITIONAL INFORMATION BY OPERATORS OF OTFs**[[9]](#footnote-9)

| **Article of Implementing Regulation (EU) 2016/824** | **Document reference number** | **Title of the document** | **Chapter or section or page of the document where the information is provided or reasons why the information has not been provided** | **For internal use by the Commission** |
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| **Article 6** |  |  |  |  |
| 6. Please provide the following information: |  |  |  |  |
| 6 (a) information on whether another investment firm is engaged to carry out market making on its OTF on an independent basis in accordance with Article 21(5) of the Law; |  |  |  |  |
| 6 (b) a detailed description of how and under what circumstances it executes orders on the OTF on a discretionary basis in accordance with Article 21(6) of the Law; |  |  |  |  |
| 6 (c) the rules, procedures and protocols which allow the operator to route the trading interest of a member or participant outside the facilities of the OTF; |  |  |  |  |
| 6 (d) a description of the use of matched principal trading which complies with Article 21(7) of the Law; |  |  |  |  |
| 6 (e) the rules and procedures to ensure compliance with Articles 25, 26, 28 and 29 of the Law for transactions concluded on the OTF where those rules are applicable to the relevant operator in relation to an OTF user. |  |  |  |  |

# **PART D: LIST OF DOCUMENTS THAT ACCOMPANY THIS FORM**

| **TITLE OF DOCUMENT** | **NUMBER OF REFERENCE DOCUMENT** | **FOR INTERNAL USE BY THE COMMISSION** |
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1. As per Article 1 (1) of Implementing Regulation (EU) 2016/824. [↑](#footnote-ref-1)
2. In the case of a relevant operator which is applying for registration of an MTF as an SME growth market, that operator shall ensure that the information provided under Articles 2 and 3 clearly identifies which functionalities or arrangements are applicable to the SME growth market. [↑](#footnote-ref-2)
3. As per Article 1 (2) of Implementing Regulation (EU) 2016/824 (2) ‘asset classes’ means the categories of financial instruments as set out in Part III of the First Appendix of the Investments Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017) (the “Law”). [↑](#footnote-ref-3)
4. Please include information in relation to market parameters of the platform. [↑](#footnote-ref-4)
5. Please also refer to the relevant ESMA Questions and Answers on MiFID II and MiFIR market structures topics. [↑](#footnote-ref-5)
6. Please also provide an overview of members’ default rules and procedures. [↑](#footnote-ref-6)
7. Please also provide the relevant eligibility criteria for members, also taking into account Articles 19 and 20 of the Law, especially Article 20 (2) of the Law. [↑](#footnote-ref-7)
8. In the case of a relevant operator which is applying for registration of an MTF as an SME growth market, that operator shall ensure that the information provided under Articles 2 and 3 clearly identifies which functionalities or arrangements are applicable to the SME growth market. [↑](#footnote-ref-8)
9. In the case of a relevant operator which is applying for registration of an MTF as an SME growth market, that operator shall ensure that the information provided under Articles 2 and 3 clearly identifies which functionalities or arrangements are applicable to the SME growth market. [↑](#footnote-ref-9)