

THE OBLIGATIONS OF MIFID AND MIFID II / MIFIR AT A GLANCE

	MIFID	MiFID II / MiFIR
Commodity Derivatives	Various exemptions for firms trading commodity derivatives	Exemptions for commercial firms trading commodity derivatives significantly restricted Position reporting and position limits for commodity derivatives Regulatory intervention powers
Transparency & reporting	Pre and Post trade transparency for the equity markets Transaction reporting for equities	Extension of transparency regime to non-equities Extension and harmonisation of transaction reporting obligation Consolidated tape for trade reports Approved Reporting Mechanisms
High Frequency Trading	N/A	HFT firms require authorisation, systems and controls and controls on venue pricing
Market Structure	Regulated Markets (RM) Multi-lateral Trading Facilities (MTF) Systematic Internaliser (SI) Market Makers	Additional - Organised Trading Facility (OTF) New rules for trading venues Wider definition of SIs
Conduct of Business Rules	Client categorisation Suitability and appropriateness Information and documents Best execution rules Conflicts of interest and inducements Execution only – eligible product list Client money	Trading venues to publish annual data on execution quality Additional information on best execution Execution-only exemption narrowed
Scope of regime	MiFID applies to a range of investment services and activities, in relation to MiFID financial instruments and subject to some limited exemptions	Structured deposits, emissions allowances and benchmarks will come within scope Operation of an OTF becomes a new investment service MiFID exemptions are narrowed
Third-country firms	National regimes – third country firms permitted providing they are not afforded more favourable treatment than EEA firms	Harmonised regime for services provided to eligible counterparties and professional clients