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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	C(2026) 6845 final
Subject:	COMMISSION DELEGATED REGULATION (EU) .../... amending the regulatory technical standards laid down in Delegated Regulation (EU) 2017/584 as regards certain organisational requirements of trading venues and circuit breakers

Delegations will find attached document C(2026) 6845 final.

Encl.: C(2026) 6845 final



EUROPEAN
COMMISSION

Brussels, 1.10.2026
C(2026) 6845 final

COMMISSION DELEGATED REGULATION (EU) .../...

of 1.10.2026

amending the regulatory technical standards laid down in Delegated Regulation (EU) 2017/584 as regards certain organisational requirements of trading venues and circuit breakers

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments¹ ('MiFID II') governs how trading venues are authorised and establishes operating conditions for them.

Directive (EU) 2022/2556 of the European Parliament and of the Council² amended MiFID II to ensure alignment with the requirements set out in Regulation (EU) 2022/2554 of the European Parliament and of the Council³ for managing information and communication technology (ICT) risks.

Directive (EU) 2024/790 of the European Parliament and of the Council⁴ further amended MiFID II, including with respect to rules that require trading venues to implement mechanisms designed to limit excessive volatility in the markets. The 2022 energy crisis prompted additional scrutiny of those mechanisms, revealing divergent practices and a lack of transparency in how trading venues across the Union design those mechanisms. More in particular, Directive (EU) 2024/790 amended Article 48 of MiFID II to give market participants greater transparency on the circumstances that lead to the halting or constraining of trading and on the principles that regulated markets are to consider for establishing the main technical parameters for halting or constraining trading. Directive (EU) 2024/790 also required the European Securities and Markets Authority (ESMA) to draft regulatory technical standards to establish the principles that regulated markets are to consider when establishing the main technical parameters for halting or constraining trading.

Commission Delegated Regulation (EU) 2017/584⁵ (RTS 7) contains provisions that specify the organisational requirements of trading venues, including those related to trading halts and price collars. The amendments to MiFID II introduced by Directive (EU) 2022/2556 and Directive (EU) 2024/790 make it necessary to update RTS 7 accordingly.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

In accordance with Article 10(1) of Regulation (EU) No 1095/2010 of the European Parliament and of the Council⁶, ESMA conducted open public stakeholder consultations⁷

¹ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349, ELI: <http://data.europa.eu/eli/dir/2014/65/2025-01-17>).

² Directive (EU) 2022/2556 of the European Parliament and of the Council of 14 December 2022 amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, 2014/65/EU, (EU) 2015/2366 and (EU) 2016/2341 as regards digital operational resilience for the financial sector (OJ L 333, 27.12.2022, p. 153, ELI: <http://data.europa.eu/eli/dir/2022/2556/oj>).

³ Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (OJ L 333, 27.12.2022, p. 1, ELI: <http://data.europa.eu/eli/reg/2022/2554/oj>).

⁴ Directive (EU) 2024/790 of the European Parliament and of the Council of 28 February 2024 amending Directive 2014/65/EU on markets in financial instruments (OJ L, 2024/790, 8.3.2024, ELI: <http://data.europa.eu/eli/dir/2024/790/oj>).

⁵ Commission Delegated Regulation (EU) 2017/584 of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying organisational requirements of trading venues (OJ L 87, 31.3.2017, p. 350. ELI: http://data.europa.eu/eli/reg_del/2017/584/oj).

⁶ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending

before submitting the draft regulatory technical standards (RTS) to the Commission. It also consulted the Securities and Markets Stakeholders Group. ESMA performed a cost-benefit analysis, which was included in the final report together with the outcome of the consultation activities⁸. ESMA sent the final report on the RTS to the Commission in April 2025.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

Article 1 introduces the amendments to Delegated Regulation (EU) 2017/584 to (i) further clarify the scope of that Regulation, (ii) bring it in line with the amendments to MiFID II introduced by Directive (EU) 2022/2556, and (iii) set out the common principles applicable to circuit breakers and the information to be disclosed by trading venues as regards circuit breakers.

Article 2 sets out the date of entry into force of this Regulation.

Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84, ELI: <http://data.europa.eu/eli/reg/2010/1095/oj>).

⁷ The consultation document is available on the [ESMA website](#).

⁸ ESMA, Final report on Systematic Internaliser notification (new ITS), on the volume cap and transparency calculations (RTS 3) and circuit breakers (new RTS 7a), available on the [ESMA website](#).

COMMISSION DELEGATED REGULATION (EU) .../...

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amending the regulatory technical standards laid down in Delegated Regulation (EU) 2017/584 as regards certain organisational requirements of trading venues and circuit breakers

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU⁹, and in particular Article 48(12), third subparagraph thereof,

Whereas:

- (1) Technological developments associated with electronic trading systems, and in particular the risks arising from such systems, are among the main factors determining the organisational arrangements necessary for the operation of trading venues. For that reason, Commission Delegated Regulation (EU) 2017/584¹⁰ lays down specific organisational requirements for trading venues that use electronic means for the submission and matching of orders, while other trading venues are subject only to the organisational requirements laid down in Directive 2014/65/EU. Delegated Regulation (EU) 2017/584 relies on the concepts of ‘trading venues that allow or enable algorithmic trading’ and ‘algorithmic trading systems’. However, those concepts are not sufficiently clearly defined. To enhance legal certainty, it is appropriate to set out that that Regulation should apply only to trading venues in which the submission and matching of orders is facilitated by electronic means. Trading venues operating a trading system in which transactions are arranged exclusively through voice negotiation should fall outside the scope of that Regulation.
- (2) Directive (EU) 2022/2556 of the European Parliament and of the Council¹¹ amended Directive 2014/65/EU to ensure alignment with the requirements on management of information and communication technology (ICT) risks set out in Regulation (EU) 2022/2554 of the European Parliament and of the Council¹². In particular, Directive

⁹ OJ L 173, 12.6.2014, p. 349.

¹⁰ Commission Delegated Regulation (EU) 2017/584 of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying organisational requirements of trading venues (OJ L 87, 31.3.2017, p. 350, ELI: http://data.europa.eu/eli/reg_del/2017/584/oj).

¹¹ Directive (EU) 2022/2556 of the European Parliament and of the Council of 14 December 2022 amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, 2014/65/EU, (EU) 2015/2366 and (EU) 2016/2341 as regards digital operational resilience for the financial sector (OJ L 333, 27.12.2022, p. 153, ELI: <http://data.europa.eu/eli/dir/2022/2556/oj>).

¹² Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (OJ L 333, 27.12.2022, p. 1, ELI: <http://data.europa.eu/eli/reg/2022/2554/oj>).

(EU) 2022/2556 amended the mandates conferred on ESMA to develop draft regulatory technical standards laid down in Article 48(12), points (a) and (g), of Directive (EU) 2014/65 to exclude from those mandates requirements on digital operational resilience and digital operational resilience testing. It is therefore necessary to delete those requirements from Delegated Regulation (EU) 2017/584, including requirements on business continuity arrangements, outsourcing of ICT services, the testing of trading systems, and security and limits to access.

- (3) Article 28(3) of Regulation (EU) 2022/2554 requires financial entities to inform their competent authority in a timely manner about any planned contractual arrangement on the use of ICT services supporting critical or important functions provided by ICT third-party service providers. To ensure consistency in the treatment of outsourcing of ICT services and of non-ICT services supporting critical or important functions, it is necessary to delete the authorisation requirement set out in Article 6(5), point (b), of Delegated Regulation 2017/584. To enable the competent authority to assess whether the outsourcing of critical non-ICT operational functions does or does not undermine operational resilience and business continuity and, where issues are identified, to make use of the supervisory powers set out in Article 69 of Directive 2014/65/EU, a trading venue that intends to outsource those functions should notify its competent authority thereof.
- (4) Article 48(5) of Directive 2014/65/EU requires trading venues to be able to temporarily halt or constrain trading in emergency situations or in the event of a significant price movement in a financial instrument. To ensure that short-term high-volatility episodes are adequately managed, trading venues should deploy circuit breakers. Those circuit breakers should take the form of trading halts or price collars. However, since trading halts and price collars may not be suited to trading systems other than a central limit order book or a periodic auction trading system, trading venues operating those other trading systems should be allowed to establish alternative arrangements capable of constraining trading to curb temporary increases in market volatility and prevent significant price changes during a short period, provided that those alternative arrangements are better suited to the specificities of those other trading systems. In that case, those trading venues should demonstrate to their competent authority that such alternative arrangements are better suited than trading halts or price collars.
- (5) To ensure that trading venues comply with Article 48(5) of Directive 2014/65/EU in a consistent manner, it is necessary to lay down the principles that trading venues are to consider when establishing circuit breakers and adopting a methodology for their calibration. To ensure the effective functioning of circuit breakers, that methodology should take into consideration the specific market conditions of the financial instruments to the trading of which those circuit breakers apply. To enable market participants to assess the implications of the triggering of circuit breakers for market functioning and trading activity, trading venues should publish the information on the design and functioning of those mechanisms and on the effects of their activation. However, to prevent unintended consequences for orderly trading, including the risk of artificial triggering of circuit breakers, trading venues should not be required to publish the detailed parameters underpinning the functioning of circuit breakers. To ensure effective supervision, trading venues should provide those parameters to competent authorities on a yearly basis. To ensure consistency and comparability of the information reported to competent authorities, it is necessary to provide a template

that trading venues should use when reporting to their competent authority the parameters underpinning the functioning of circuit breakers.

- (6) ISO 10383 is the international standard developed by the International Organisation for Standardisation for Market Identifier Codes ('MICs'), which provide a unique and unambiguous means of identifying trading venues. MICs are globally recognised and used for the identification of trading venues. To ensure the unambiguous identification of trading venues in their reports on circuit breakers to competent authorities, and to ensure consistency with globally agreed standards, trading venues should use the MIC assigned to them under ISO 10383 in those reports.
- (7) Delegated Regulation (EU) 2017/584 should therefore be amended accordingly.
- (8) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the European Securities and Markets Authority.
- (9) The European Securities and Markets Authority has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council¹³,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments to Delegated Regulation (EU) 2017/584

Delegated Regulation (EU) 2017/584 is amended as follows:

- (1) the title is replaced by the following:
'Commission Delegated Regulation (EU) 2017/584 of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying organisational requirements and requirements on circuit breakers for trading venues where order submission and order matching is facilitated by electronic means';
- (2) the title of Chapter I is replaced by the following:
**'CHAPTER I
SCOPE AND DEFINITIONS';**
- (3) Article 1 is replaced by the following:
*'Article 1
Scope
(Article 48 of Directive 2014/65/EU)*
This Regulation applies to trading venues where order submission and order matching is facilitated by electronic means.';
- (4) the following Article 1a is inserted:
'Article 1a

¹³ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84. ELI: <http://data.europa.eu/eli/reg/2010/1095/oj>).

Definitions

(Article 48 of Directive 2014/65/EU)

For the purposes of this Regulation, the following definitions apply:

- (1) ‘algorithmic trading system’ means any arrangement or system of the trading venue that allows or enables members, participants, or clients to engage in algorithmic trading;
- (2) ‘ICT service’ means an ICT service as defined in Article 3, point (21), of Regulation (EU) 2022/2554 of the European Parliament and of the Council*;
- (3) ‘circuit breaker’ means a trading halt, a price collar, or any other arrangement that can constrain trading if there is a significant price movement within a short period of time in a financial instrument;
- (4) ‘trading halt’ means an arrangement which in case of significant price movement relative to a reference price either interrupts continuous trading or extends the period of scheduled or unscheduled auctions;
- (5) ‘price collar’ means an arrangement which allows for the matching of orders only where the resulting price lies within pre-defined price boundaries.

* Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (OJ L 333, 27.12.2022, p. 1, ELI: <http://data.europa.eu/eli/reg/2022/2554/oj>).’;

- (5) after Article 1a, the following Chapter title Ia is inserted:

‘CHAPTER Ia

GENERAL ORGANISATIONAL REQUIREMENTS FOR TRADING VENUES’;

- (6) in Article 2, paragraph 1 is replaced by the following:

‘1. Before the deployment of a trading system and at least once a year, trading venues shall carry out a self-assessment of their compliance with Article 48 of Directive 2014/65/EU taking into account the nature, scale and complexity of their business. The self-assessment shall include an analysis of all parameters set out in Annex I.’;

- (7) Article 6 is amended as follows:

- (a) in paragraph 1, the introductory wording is replaced by the following:

‘Trading venues outsourcing all or part of their operational functions shall ensure that.’;

- (b) paragraph 2 is replaced by the following:

‘2. For the purposes of this Article, operational functions shall include all activities directly related to the performance and surveillance of the trading systems, other than activities that constitute ICT services.’;

- (c) paragraphs 5, 6 and 7 are replaced by the following:

‘5. Trading venues shall notify their competent authorities of their intention to outsource operational functions in the following cases:

- (a) where the service provider provides the same service to other trading venues;
 - (b) where critical operational functions necessary for business continuation would be outsourced.
6. For the purposes of paragraph 5, point (b), critical operational functions shall include those functions necessary to comply with the obligations referred to in Article 47(1), points (b) and (e), of Directive 2014/65/EU.
7. For the purposes of paragraph 5, trading venues shall notify their competent authority at least sixty calendar days before the outsourcing agreement takes effect.’;
- (d) the following paragraph 8 is added:

‘8. By way of derogation from paragraph 7, trading venues intending to outsource critical operational functions as referred to in paragraph 6 to service providers established in a third country shall notify their competent authority at least ninety calendar days before the outsourcing agreement takes effect.’;
- (8) Article 8 is deleted;
 - (9) Article 10 is amended as follows:
 - (a) the title is replaced by the following:

‘Article 10

Testing obligations to avoid disorderly trading conditions

(Article 48(1) of Directive 2014/65/EU)’;
 - (b) the following paragraph 4 is added:

‘4. Trading venues shall be able to demonstrate at all times that they have taken all reasonable steps to avoid that their trading systems contribute to disorderly trading conditions, including when testing their trading systems prior to deployment or in case of updating of the trading system.’;
 - (10) Article 15 is deleted;
 - (11) Article 16 is amended as follows:
 - (a) paragraph 1 is replaced by the following:

‘1. Trading venues shall, in the context of their governance and decision-making framework referred to in Article 3, establish a business continuity plan setting out the procedures and arrangements for managing disruptive incidents.’;
 - (b) in paragraph 2, point (c) is deleted;
 - (c) paragraph 4 is replaced by the following:

‘4. Trading venues shall carry out and periodically review an impact assessment identifying the risks and consequences of disruption.’;
 - (12) in Article 17, paragraph 1 is replaced by the following:

‘1. Trading venues shall in the context of their self-assessment referred to in Article 2 test the operation of the business continuity plan on the basis of realistic scenarios.’;
 - (13) Article 18 is amended as follows:

- (a) in paragraph 3, point (a) is deleted;
- (b) paragraph 4 is replaced by the following:
‘4. Trading venues shall make public their policies and arrangements set out in paragraphs 2 and 3. That obligation shall not apply with regard to the specific number of orders per second on pre-defined time intervals.’;

(14) Article 19 is replaced by the following;

‘Article 19

General principles for the establishment of circuit breakers

(Article 48(5) of Directive 2014/65/EU)

1. Trading venues shall establish circuit breakers in the form of trading halts or price collars.

Trading venues shall ensure that circuit breakers are operational at all times during trading hours.

2. By way of derogation from paragraph 1, first subparagraph, trading venues that operate trading systems other than a central limit order book or a periodic auction trading system may establish circuit breakers taking another form than trading halts or price collars where they demonstrate to their competent authority that due to market-specific characteristics and circumstances other arrangements are more suited to constrain trading where there is a significant price movement in a financial instrument during a short period of time.

3. Trading venues shall design the circuit breakers on the basis of both a static and a dynamic reference price. However, trading venues may design those circuit breakers on the basis of only a static reference price or only a dynamic reference price where they demonstrate to their competent authority that in view of market-specific characteristics and circumstances such circuit breakers adequately manage volatility.

4. Trading venues shall test the circuit breakers before their implementation and periodically reassess the adequacy of the types of circuit breakers deployed. The reassessment shall in particular encompass cases where the trading venue has decided to rely on either a static or a dynamic reference price.

5. Trading venues shall ensure that sufficient IT and human resources are allocated to deal with the design, maintenance and monitoring of the circuit breakers and that such circuit breakers are continuously monitored.’;

(15) the following Articles 19a and 19b are inserted:

‘Article 19a

Principles for the establishment of the methodology for the calibration of circuit breakers

(Article 48(5) of Directive 2014/65/EU)

1. Trading venues shall establish a methodology for the calibration of circuit breakers which shall be based on all of the following elements:

- (a) the liquidity profile and the quotation level of the financial instrument;
- (b) the volatility profile of the financial instrument;
- (c) the trading venue’s system and rules;

- (d) internal references, intended as prices determined inside the trading venue, which are then available to calibrate circuit breakers for the specific instrument;
- (e) any relevant external references where needed, including cross-asset and cross-market conditions;
- (f) the number of times the mechanism was triggered in the previous three years on their platforms.

Trading venues shall base any updates of the methodology affecting the calibration of circuit breakers on statistical data, where available, and evolving market conditions.

2. The methodology referred to in paragraph 1 shall set out all of the following:

- (a) the ordinary frequency of updates of the static and dynamic reference price;
- (b) a non-exhaustive list of instances in which extraordinary updates might be carried out;
- (c) the procedure to follow where the parameters have to be manually overridden to ensure orderly trading.

3. Trading venues shall review the methodology referred to in paragraph 1 at least on a yearly basis and update that methodology where needed.

4. Trading venues shall keep records of the methodology referred to in paragraph 1 and any changes thereof, and records of the operation, management and upgrading of circuit breakers for at least the five previous years. Trading venues shall make such records available upon request by the competent authority. Trading venues shall be able to justify the choice of the thresholds underpinning the functioning of circuit breakers.

Article 19b

Publication of information about circuit breakers and reporting requirements

(Article 48(5) of Directive 2014/65/EU)

1. Trading venues shall publish on their website, in a clear and concise manner, all of the following information regarding the functioning and effects of their circuit breakers:

- (a) a general description of the form of circuit breaker deployed, including examples of circumstances leading to the triggering of the circuit breaker concerned;
- (b) a description of the consequences entailed by the triggering of circuit breakers, explaining whether the triggering would result in a trading halt, a shift to a different trading modality or an order rejection;
- (c) for trading halts, an indication of the minimum time duration of the trading halt, once the trading halt is triggered;
- (d) for price collars, the boundaries which allow for the matching of orders where the resulting price lies within those boundaries;
- (e) information regarding the reference price underpinning the functioning of the circuit breakers.

2. Trading venues that apply different forms of circuit breakers shall specify in the information published pursuant to paragraph 1 for which instruments or classes of instruments the circuit breaker applies.

3. The information published pursuant to paragraph 1 shall clearly indicate whether specific parameters underpinning the functioning of circuit breakers can be adapted depending on market conditions and, if so, which parameters.

4. Each year, trading venues shall report to their competent authority information on the parameters underpinning the functioning of circuit breakers. For that purpose, trading venues shall use the template set out in Annex II.’;

(16) Article 23 is deleted;

(17) the title of the Annex is replaced by the following:

‘Annex I’;

(18) the Annex to this Regulation is added as Annex II.

Article 2

Entry into force

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 1.10.2026

For the Commission
The President
Ursula VON DER LEYEN