

2) Criteria of Systematic Internalisation for Financial Instrument

An instrument must meet all of the four criteria listed under Article 2(1)(17) (b) of MIFR:

- free float,
- average daily number of transactions,
- average daily turnover and
- daily traded.

In order to be deemed to have a 'liquid market', the four criteria shall apply cumulatively to establish a uniform and simplified regime.

As an exception to the above, where a Member State would be the most relevant market for fewer than five liquid instruments, the Member State may specify the number of liquid instruments for that Member State providing the total is no greater than five. The specification shall be made public.

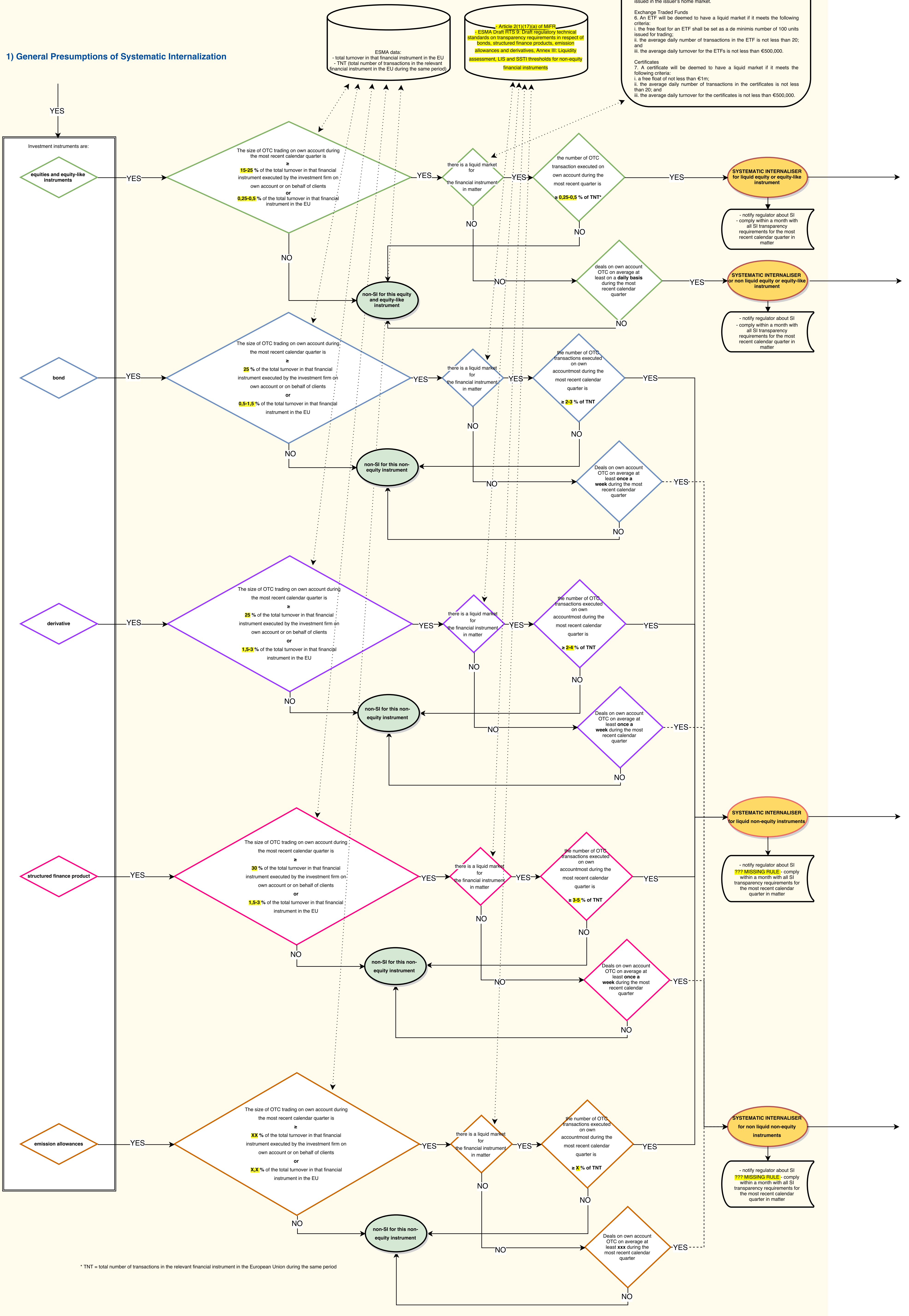
Equities
An equity will be deemed to have a liquid market if it meets the following criteria:
i. free float of not less than €100m;
ii. the average daily number of transactions in the shares is not less than 250; and
iii. the average daily turnover for the shares is not less than €1m.

Depository Receipts
4. The thresholds applied to depository receipts to determine whether an instrument has a liquid market shall be the same thresholds as those set for equities.
5. The size of the free float for a depository receipt shall be determined by the number of shares issued in the issuer's home market.

Exchange Traded Funds
6. An ETF shall be deemed to have a liquid market if it meets the following criteria:
i. the free float for an ETF shall be set as a de minimis number of 100 units issued for trading;
ii. the average daily number of transactions in the ETF is not less than 20; and
iii. the average daily turnover for the ETFs is not less than €500,000.

Certificates
7. A certificate will be deemed to have a liquid market if it meets the following criteria:
i. a free float of not less than €1m;
ii. the average daily number of transactions in the certificates is not less than 20; and
iii. the average daily turnover for the certificates is not less than €500,000.

1) General Presumptions of Systematic Internalization



3) Conditions of Systematic Internaliser's Duties to Quote