

DEA/DMA vs Order Routing Systems

Definitions and how to distinguish

September 2018



Electronic access definition under MiFID II / MiFIR

DEA is only one possible way to electronically access venues and comprises Direct Market Access (DMA) and Sponsored Access (SA).

Commission Delegated Regulation (EU) No 2017/565 Recital (25)

“Therefore, arrangements where client orders are intermediated through electronic means by members or participants of a trading venue such as online brokerage and arrangements where clients have direct electronic access to a trading venue should be distinguished.”

Order Routing System (ORS)

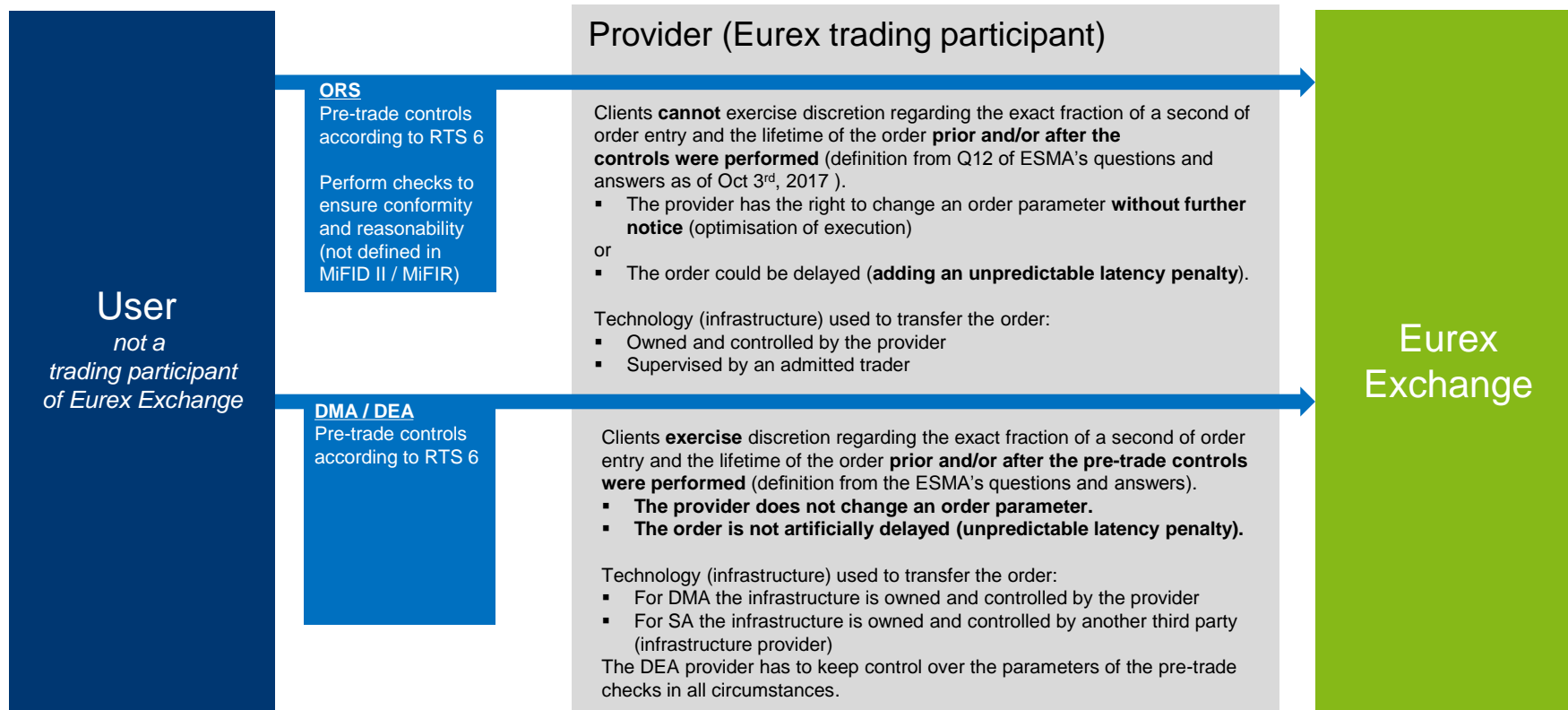
- Arrangements that allow clients to transmit orders to an investment firm in an electronic format, such as online brokerage
- Do not have the ability to determine the fraction of a second of order entry and the life time of orders

DEA / DMA

- Where that person can exercise discretion regarding the exact fraction of a second of order entry and the lifetime of the order within that timeframe
- No arrangements for optimisation of order execution processes applied by the provider of DEA

Eurex
Exchange

DMA / DEA versus Order Routing System



Set-up scenario

Using different trader IDs to distinguish order flow

