7 December 2017

Eurex Exchange's MiFID II/MiFIR & T7 release 6.0 readiness news

Dear Eurex participant,

We would like to provide you with an update regarding transitional periods in Germany for third country firms engaged in dealing on their own account.

On its webpage, BaFin published a guidance note on the process for requesting exemptions in accordance with § 64x paragraph 8 Sentence 1 under the amended German Banking Act (previously § 64v paragraph 8 Sentence 1 under the amended German Banking Act).

Currently the guidance note is only available in German and can be found here.
A publication in English is expected in due course.

Background
MiFID II extends the scope of trading activities requiring authorisation as investment firm. According to article 2.1 (d) of MiFID II, the authorization scope has broadened to firms **dealing on their own account** in financial instruments, if they are, among others, members of or participants in a regulated market or an MTF or have direct electronic access to a trading venue in accordance with Art. 4.1 (41) MiFID II.

In Germany this scope extension is implemented in the amended German Banking Act § 32 Sec. 1a Sentence 2+3.

Third country firms dealing on own account on Eurex and who are NCMs or clients of NCMs having direct electronic access to Eurex, may set up a Branch in the EEA or chose the MiFIR equivalence path in order to be able to continue trading in the EEA after 03 January 2018.

If firms choosing the equivalence regime, member states may implement transitional periods for the time from 03 January 2018 (effective date of MiFID II) and an equivalence decision of the EU Commission.

In Germany such transitional period for third country firms dealing on own account is implemented in the amended German Banking Act § 64x Sec. 8. Prerequisite to participate in the transitional period is the submission of a complete application of exemption to BaFin by 02 July 2018. Information required to determine completeness of an application and a description of the application process is included in BaFin's recently published guidance note.

Further information can be found on the Eurex webpage.

All publications and readiness updates are published on the T7 release 6.0 initiatives page.

If you have any further questions or comments, please do not hesitate to contact your Key Account Manager or send an e-mail to customer.readiness@eurexchange.com.

Kind regards
Your Customer Readiness Team

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