GUIDE FOR MIFID2 MARKET MAKERS

On Italian equity markets
and IDEM Equity

OCT 2021

BORSA ITALIANA

Equity Markets

Quoting obligation	Continuous trading only
Daily compliance rate	50%
Quote vs. Order	Quotes and/or standard orders
Obligations during normal market conditions	• Maximum spread • Minimum quantity • Comparable size
Maximum spread	• The calculation of the spread compares bid and ask Volume-Weighted-Average-Spread taking into consideration all market maker's quotes and/or orders, considering them up to the quantity corresponding to the minimum obligation • The value of the maximum spread is defined in the **Guide to the Parameters** per each market/segment
Minimum quantity	• It is calculated by summing up all of the market maker's quotes and/or orders visible quantities, considering them up to the quantity corresponding to the minimum obligation • The value of the minimum quantity is defined in the **Guide to the Parameters** per each market/segment

Comparable size	• It is calculated by summing up all of the market maker's quotes and/or orders visible quantities, considering them up to the quantity corresponding to the minimum obligation
	
	  – Max (Total Buy Quantity, Total Sell Quantity) = Max
	  – Min (Total Buy Quantity, Total Sell Quantity) = Min
	  – If (Min < (Max / 2)) then test has failed

Stressed market conditions obligations	• Agreement: regular obligations • Scheme: reduced obligations (spread obligation is doubled and size obligation is reduced by 50%)

IDEM Equity

Quoting obligation	Continuous trading only
Daily compliance rate	50%
Quote vs. Order	Quotes and/or standard orders
Obligations during normal market conditions	• Maximum spread • Minimum quantity • Comparable size
Maximum spread	• The calculation of the spread compares bid and ask Volume-Weighted-Average-Spread taking into consideration all market maker's quotes and/or orders, considering them up to the quantity corresponding to the minimum obligation • The value of the maximum spread is defined in the **Instructions accompanying the Rules of the Markets organised and managed by Borsa Italiana** per each contract
Minimum quantity	• It is calculated by summing up all of the market maker's quotes and/or orders visible quantities, considering them up to the quantity corresponding to the minimum obligation • The value of the minimum quantity is defined in the Instructions accompanying the Rules of the Markets organised and managed by Borsa Italiana per each contract
Comparable size	It is calculated by summing up all of the market maker's quotes and/or orders visible quantities, considering them up to the quantity corresponding to the minimum obligation • Max (Total Buy Quantity, Total Sell Quantity) = Max • Min (Total Buy Quantity, Total Sell Quantity) = Min • If (Min < (Max / 2)) then test has failed
Stressed market conditions obligations	• Agreement: regular obligations • Scheme: reduced obligations (spread obligation is doubled and size obligation is reduced by 50%)

Contacts

For market related questions, please contact the **Equity and Derivatives Markets** team at **BusDevE&D@borsaitaliana.it**

For technology related questions, please contact the **Client Technology Services** at **Clients-services@borsaitaliana.it**

References

Market Makers Performance Report Service

Member Portal

Rules

Instructions

Guide to the Parameters

Bit EQ MTF

Euronext Growth Milan

Price List