



Guide for MIFID2 Market Makers on Italian equity markets and IDEM Equity

June 2019

Equity Markets

Quoting obligation	Opening auction, continuous trading and closing auction
Daily compliance rate	55%
Quote vs. Order	Quotes and/or standard orders
Obligations during normal market conditions	<ul style="list-style-type: none"> • Maximum spread • Minimum quantity • Comparable size
Maximum spread	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> – $\text{Max (Total Buy Quantity, Total Sell Quantity)} = \text{Max}$ – $\text{Min (Total Buy Quantity, Total Sell Quantity)} = \text{Min}$ – If ($\text{Min} < (\text{Max} / 2)$) then test has failed
Stressed market conditions obligations	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Maximum spread • Minimum quantity • Comparable size
Maximum spread	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<p>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</p> <ul style="list-style-type: none"> • $\text{Max (Total Buy Quantity, Total Sell Quantity)} = \text{Max}$ • $\text{Min (Total Buy Quantity, Total Sell Quantity)} = \text{Min}$ • If $(\text{Min} < (\text{Max} / 2))$ then test has failed
Stressed market conditions obligations	<ul style="list-style-type: none"> • 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](#)

[AIM Italia](#)

[Price List](#)

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