

TECHNICAL STANDARDS (MARKETS IN FINANCIAL INSTRUMENTS REGULATION) (ORGANISATIONAL REQUIREMENTS) INSTRUMENT 2025

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under:
- (1) article 51 of, and paragraphs 23 and 44 of Schedule 3 to, Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012; and
 - (2) the following sections of the Financial Services and Markets Act 2000 (“the Act”) as amended by the Financial Regulators’ Powers (Technical Standards etc.) (Amendment etc) (EU Exit) Regulations 2018:
 - (a) section 137T (General supplementary powers).
 - (b) section 138P (Technical standards);
 - (c) section 138Q (Standards instruments); and
 - (d) section 138S (Application of Chapters 1 and 2).
- B. The provisions referred to above are specified for the purpose of section 138Q(2) (Standards instruments) of the Act.

Pre-conditions to making

- C. The FCA has consulted the Prudential Regulation Authority and the Bank of England as appropriate in accordance with section 138P of the Act.
- D. The requirement for Treasury approval under section 138R of the Act has been met.

Modifications

- E. The following technical standard, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, is amended in accordance with the Annex to this instrument.

Commission Delegated Regulation (EU) 2017/589 of 19 July 2016 supplementing Directive 2014/65 EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the organisational requirements of investment firms engaged in algorithmic trading.

Commencement

- F. This instrument comes into force on 23 October 2025.

Citation

- G. This instrument may be cited as the Technical Standards (Markets in Financial Instruments Regulation) (Organisational Requirements) Instrument 2025.

By order of the Board
2 October 2025

In this Annex, underlining indicates new text and striking through indicates deleted text.

Annex

Commission Delegated Regulation (EU) 2017/589 of 19 July 2016 supplementing Directive 2014/65 EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the organisational requirements of investment firms engaged in algorithmic trading.

...

Article 9

Annual self-assessment and validation (~~Article 17(1) of Directive 2014/65/EU~~)

...

- (2) The risk management function of the investment firm ~~referred to in Article 23(2) of Commission Delegated Regulation (EU) 2017/565~~, shall must draw up the validation report and, for that purpose, involve staff with the necessary technical knowledge. The risk management function shall inform the compliance function of any deficiencies identified in the validation report.

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- (5) Where an investment firm has not established a risk management function ~~referred to in Article 23(2) of Delegated Regulation (EU) 2017/565~~, the requirements set out in relation to the risk management function in this Regulation ~~shall~~ apply to any other function established by the investment firm having regard to rule 7.1.7 of the Senior Management Arrangements, Systems and Controls sourcebook in the Handbook of Rules and Guidance published by the FCA (SYSC 7.1.7R) in accordance with Article 23(2) of Delegated Regulation (EU) 2017/565.

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