



ESMA Systematic Internaliser Regime

The German Securities Trading Act (*Gesetz über den Handel mit Wertpapieren* - "WpHG"), transposing the requirements of the Markets in Financial Instruments Directive 2014/65/EU ("MiFID II"), and the Markets in Financial Instruments Regulation (EU) 600/2014 ("MiFIR") collectively require Investment Firms (including credit institutions) trading in financial instruments for which they are a Systematic Internaliser ("SI") outside a Regulated Market, Multilateral Trading Facility or Organised Trading Facility to comply with transparency obligations.

At the time of introduction Standard Chartered Bank AG has voluntarily opted-in as a Systematic Internaliser (SI) for non-equity financial instruments. This designation applied to Standard Chartered Bank AG and its branches in the European Economic Area (EEA).

Following the MiFID II/MiFIR review from 2024, in particular Regulation (EU) 2024/791, the SI regime for non-equity instruments (bonds, derivatives, structured finance, emission allowances) has been significantly reduced or removed. Key changes include the abolition of pre-trade transparency for non-equity instruments, replacement of quantitative thresholds with qualitative assessments, and the shift of reporting responsibilities to **Designated Publishing Entities (DPEs)**.

Under the new regime, post-trade transparency obligations are decoupled from the systematic internalisers regime. Where previously the determination of who reports a trade was decided by whether the counterparty was an SI, this is now determined by the counterparty's DPE status. Any investment firm can register to become a DPE, regardless of their SI status.

Standard Chartered Bank AG successfully applied for the status of a DPE in accordance with Article 21a of MiFIR from **3 February 2025** for the following asset classes:

- Interest rate derivatives (IRDV)
- Credit derivatives (CRDV)
- Structured Finance Products (SFPS)
- Bonds (BOND)
- Emission Allowances (EMAL)

SCB AG will fulfil its post-trade transparency obligations in accordance with the reporting waterfall set out in MiFIR.

Subsequently, Standard Chartered Bank AG notified BaFin to withdraw from the voluntary status as a SI for the formerly applied Financial Instruments with effect from 27 March 2026.

If you have any questions on any other aspects of MiFID II/WpHG, please do not hesitate to contact your local Standard Chartered Bank representative.

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