

Annex B**COMMISSION DELEGATED REGULATION (EU) 2017/566 of 18 May 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards for the ratio of unexecuted orders to transactions in order to prevent disorderly trading conditions**

~~(Text with EEA relevance)~~

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Article -2**Application**

This Regulation applies to UK trading venues as defined by article 2(1)(16A) of Regulation 600/2014.

Article -1**Interpretation**

1. Where a term is defined in Directive 2014/65/EU that definition shall apply for the purposes of this Regulation except where (2) applies.
2. Where a term is defined in article 2 of Regulation 600/2014/EU, as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018, that definition shall apply for the purposes of this Regulation.
3. Article 2(1)(62) of Regulation 600/2014/EU shall apply for the purposes of this Regulation.

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~~This Regulation shall be binding in its entirety and directly applicable in all Member States.~~

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ANNEX
Counting methodology for orders set out for each type

Types of order	Number of orders received by the trading venue to be counted when calculating the ratio of unexecuted orders to transactions (each submission, modification, cancellation shall be counted as one single order)	Updates potentially sent by the trading venue not to be counted when calculating the ratio of unexecuted orders to transactions (excluding executions/cancellations by market operations)
Limit	1	0
...		
<p>Peg</p> <p>Market peg: an order to the opposite side of the (European) Best Bid and Offer (BBO)</p> <p>Primary peg: an order to the same side of the (European) BBO</p> <p>Midpoint peg: an order to the midpoint of the (European) BBO</p> <p>Alternate peg to the less aggressive of the midpoint or 1 tick</p> <p>Midpoint inside the same side of the Protected BBO</p>	1	potentially unlimited as the order tracks the BBO
...		

Trailing stop: Stop order which stop price at which the order is triggered changes in function of the (European) BBO	1	potentially unlimited as the stop limit tracks the BBO
At best limit order where the limit price is equal to the opposite side of the (European) BBO at the time of entry	1	0
...		