



Brussels, 14.4.2026
C(2026) 2300 final

COMMISSION DELEGATED REGULATION (EU) .../...

of 14.4.2026

supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria to be taken into account in establishing and assessing the effectiveness of order execution policies of investment firms and repealing Delegated Regulations (EU) 2017/575 and (EU) 2017/576

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED REGULATION

Directive 2014/65/EU¹ of the European Parliament and of the Council set outs a “best execution” obligation for investment firms to ensure that those firms execute client orders on terms that are the most favourable to their clients. Commission Delegated Regulation (EU) 2017/565² sets out the information on the order execution policy that investment firms should put in place to comply with the ‘best execution’ requirement. Directive 2024/790³ amending Directive 2014/65/EU empowers the European Commission to adopt the regulatory technical standards developed by ESMA with regard to the criteria to be considered by the investment firms when establishing and assessing the effectiveness of their order execution policies. This Regulation sets out requirements for the order execution policy of investment firms.

This Regulation is based on regulatory technical standards (RTSs) developed by ESMA⁴, which aim at specifying, in particular, the rules for:

- selecting execution venues to enable investment firms to consistently achieve the best possible result when executing client orders;
- monitoring the investment firms’ execution policies and in particular the data to be used by investment firms to enable them to monitor their execution policies and arrangements;
- order routing to avoid adverse impact on the execution quality;
- dealing with the specific instructions from clients and the safeguards to avoid unfavourable consequences to investor protection;
- assessing periodically the effectiveness of the investment firms’ order execution policy;
- identifying classes of financial instruments to ensure that the execution quality can be assessed for homogenous groups of products.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE REGULATION

ESMA conducted a public consultation on the criteria for establishing and assessing the effectiveness of order execution policies of investment firms. The consultation ran from 16 July 2024 to 16 October 2024⁵. On 4 April 2025, ESMA submitted its final report on the RTS

¹ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) - OJ L 173, 12.6.2014, pp. 349–496

² Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (OJ L 87, 31.3.2017, p. 1). 29

³ Directive (EU) 2024/790 of the European Parliament and of the Council of 28 February 2024 amending Directive 2014/65/EU on markets in financial instruments, OJ L, 2024/790, 8.3.2024.

⁴ ESMA Final report – Technical standards specifying the criteria for establishing and assessing the effectiveness of investment firms’ order execution policies- 10 April 2025 - ESMA35-335435667-6253

⁵ ESMA Consultation Paper on the Technical Standards specifying the criteria for establishing and assessing the effectiveness of investment firms’ order execution policies - [Consultation on the Technical Standards specifying the criteria for establishing and assessing the effectiveness of investment firms’ order execution policies](#)

on order execution policies to the Commission⁶. ESMA performed a cost-benefit analysis, which was included in the final report together with the outcome of the consultation activities.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

- Article 1 sets out the definitions for ‘execution venue’.
- Article 2 sets out general criteria to be taken into account in establishing an order execution policy.
- Article 3 describes the selection of execution venues for the order execution policy.
- Article 4 sets out the order routing criteria.
- Article 5 sets out the arrangements for dealing appropriately with specific instructions from clients.
- Article 6 specifies the necessary measures and assessments where the order execution policy of an investment firm permits it to execute orders by dealing on own account.
- Article 7 sets out the requirements for the monitoring of the order execution policy.
- Article 8 sets out the requirements for the periodic assessment of the effectiveness of the order execution policy
- Article 9 sets out the requirements on how to identify classes and subclasses of financial instruments for which the investment firms execute orders on behalf of clients.
- Article 10 repeals Commission Delegated Regulation (EU) 2017/575⁷ and Commission Delegated Regulation (EU) 2017/576⁸.
- Article 11 specifies the entry into force of this Regulation.

⁶ ESMA Final report – Technical standards specifying the criteria for establishing and assessing the effectiveness of investment firms’ order execution policies- 10 April 2025 - ESMA35-335435667-6253

⁷ Commission Delegated Regulation (EU) 2017/575 of 8 June 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 concerning the data to be published by execution venues on the quality of execution of transactions (OJ L 87, 31.3.2017, p. 152).

⁸ Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution (OJ L 87, 31.3.2017, p. 166).

COMMISSION DELEGATED REGULATION (EU) .../...

of 14.4.2026

supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria to be taken into account in establishing and assessing the effectiveness of order execution policies of investment firms and repealing Delegated Regulations (EU) 2017/575 and (EU) 2017/576

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU⁹, and in particular Article 27(10), fourth subparagraph thereof,

Whereas:

- (1) To ensure that clients are informed in a clear and comprehensible manner on the way their orders will be executed, investment firms should provide them with certain information on the firms' internal order execution policy prepared by the firms in line with the requirements set out in Commission Delegated Regulation (EU) 2017/565¹⁰. The order execution policy should ensure that the selection of execution venues consistently enables investment firms to achieve the best possible result when executing client orders. Investment firms should apply their internal governance procedures on the selection of execution venues and keep an up-to-date list of the execution venues they have selected.
- (2) For transparency on the investment firms' arrangements aiming to warrant the fairness of the price for orders executed on behalf of clients, the order execution policy of the firms should include information on the arrangements and valuation systems, including a list of data providers used for that valuation, that firms will use to achieve the best possible result when executing their client orders.
- (3) To avoid any conflict of interest in executing their own and clients' orders, investment firms that offer both the investment services of execution of orders on behalf of clients and reception and transmission of orders in relation to one or more financial instruments

⁹ OJ L 173, 12.6.2014, p. 349, ELI: <http://data.europa.eu/eli/dir/2014/65/oj>.

¹⁰ Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (OJ L 87, 31.3.2017, p. 1, ELI: http://data.europa.eu/eli/reg_del/2017/565/oj).

- should specify in their order execution policy how they comply with their obligation to act in the best interests of their clients when deciding whether or not to execute the order.
- (4) When selecting the execution venues to ensure the best execution of their clients' orders, investment firms should assess the costs charged to them by the execution venues. Investment firms should only consider costs associated to the selected execution venues to the extent that such costs would be passed on to clients directly or indirectly, when executing their orders.
 - (5) High-quality reference data, including data provided by consolidated tape providers, where available, should provide a reliable and accurate presentation of execution prices in the market. Investment firms should use such data when selecting execution venues and when monitoring, on a regular basis, the effectiveness of their order execution policy. Investment firms should be allowed to use alternative external data sources where data from such sources are reliable and accurate. Investment firms should make sure that the reference data they use contain the data from the most liquid execution venues, including data from the execution venues that are the most relevant markets in terms of liquidity for the instruments traded within each class of financial instruments.
 - (6) To ensure transparency and quality of results for their clients, investment firms that select only one execution venue to execute client orders for a given class of financial instruments, or for all client orders, should explain in their order execution policies how the selection of only one execution venue enables them to obtain the best possible result for their clients.
 - (7) To avoid any adverse impact on the quality of the order execution, investment firms should indicate in their order execution policy the factors that they consider before deciding whether they will use automatic order routing systems.
 - (8) In order to select, among the different execution venues listed in their order execution policy, the execution venue that would ensure the best possible result for each order of their clients, investment firms should take into account the classification of clients, the class and sub-class of financial instruments, the size and nature of the orders, the costs charged by execution venues and firms that impact the return for the clients, and any market data relevant to such assessment.
 - (9) To ensure that investment firms can use automatic order routing systems in a way that warrants the best possible result for their clients, investment firms should explicitly mention in their order execution policies the possibility for them to use automatic order routing systems and their obligation to take into account the specific criteria that ensure the best possible result for their clients. In particular, any automatic order routing system should consider all criteria that investment firms apply for the selection of their best execution venue.
 - (10) Specific instructions from a client for the execution of its order may have significant investor protection consequences. For that reason, the order execution policy of investment firms should indicate the potential negative impact of those specific instructions for the client, in particular when the firm may not be able to apply all the criteria necessary to achieve the best possible execution of that order. For the same

reason, the order execution policy should specify what constitutes a specific client instruction.

- (11) To limit a possible negative impact of a client's specific instruction on the quality of execution, resulting from the inability of an investment firm to fully apply all the elements of its order execution policy, investment firms should follow the client's instruction only in respect of the part or aspect of the order for which the client gave a specific instruction. All other parts and aspects of the order that are not part of the specific instruction should be treated as a regular client order and should then be subject to the best execution rules.
- (12) To avoid a bias in the selection of the execution venue, investment firms should, where the choice is offered to clients, have in place procedures that prevent inducing their clients to choose a specific execution venue. In particular, investment firms should not structure their commissions in a way that treats certain execution venues unfairly. Firms should also provide their clients with fair, clear and non-misleading information on each execution venue to avoid that their clients choose an execution venue only on the basis of the investment firm's pricing policy. To ensure that the ultimate responsibility for achieving the best execution result remains with investment firms, the order execution policy should also clearly specify that clients are free not to select a specific execution venue and, in those cases, can rely on the investment firm's responsibility to select the execution venue for achieving the best result for those clients.
- (13) It follows from Article 27(1) of Directive 2014/65/EU that the order execution policy should also enable investment firms to obtain the best possible result for their clients when executing client orders while dealing on own account, including when engaging in matched principal trading (back-to-back trading) or dealing against the investment firm's proprietary capital. The order execution policy of an investment firm should therefore specify how it aims to obtain the best possible result for its clients when executing client orders by dealing on own account and explain the procedures in place to assess and avoid detrimental risks for clients in those cases. For the same reason, the order execution policy of an investment firm should (i) contain measures that are appropriate to identify, manage and prevent conflicts of interest between the investment firm and its clients, as required by Article 23 of Directive 2014/65/EU and Articles 33 and 34 of Delegated Regulation (EU) 2017/565, (ii) explain the procedures in place to ensure a prompt, fair and expeditious execution of client orders where the client limit orders cannot not be immediately executed under prevailing market conditions, and (iii) specify, when clients' orders are executed over-the-counter, how the firm ensures the fairness of the price in compliance with applicable Union law.
- (14) To ensure the fairness of the price proposed to the client where his or her order is executed by the firm dealing on own account and to ensure the best possible result for the client, investment firms should consider, where available, the existing price of the financial instrument in the market or, where not available, the price of similar or comparable instruments. To avoid abuse, an investment firm should only use internal pricing models where there are no reliable data on the existing market price of the financial instrument or on that of a similar or comparable instrument.

- (15) For the effectiveness of the investment firms' execution policy and to ensure that investment firms consistently deliver on their obligation to achieve the best possible result for their clients, it is appropriate to further specify the general obligation set out in Article 27(7) of Directive 2014/65/EU on how investment firms should monitor the ongoing compliance with their order execution policy.
- (16) To enable investment firms to continuously assess whether they obtain the best possible result for their clients on a consistent basis, thus delivering on the best execution requirement, investment firms should assess the relevance of the thresholds that they have determined to ensure such best possible result, including minimum targets and acceptable deviations, per class of financial instrument. To perform a holistic assessment of deviations, investment firms should also account for any relevant differences in execution costs between the venue where the order is executed and the venues included in the reference data.
- (17) To ensure that the investment firms' order execution policy remains effective over time and adequately reflects market developments, investment firms should assess the effectiveness of their order execution policy at least annually. Investment firms should also do that whenever the monitoring of the order execution policy indicates non-compliance with the order execution policy or the requirements laid down in Article 27(1) of Directive 2014/65/EU, or whenever any material change in the cost, price, speed or likelihood of the execution and settlement, or the size or nature of an order, or any other parameter relevant to the execution of the order affects the ability of the investment firm to continue to obtain the best possible result for its clients as referred to in Article 65(7) of Delegated Regulation (EU) 2017/565.
- (18) To ensure the effectiveness of the order execution policy also where investment firms select only one execution venue to execute client orders, investment firms should periodically compare the result obtained on that selected execution venue with the results they could have obtained on available alternative execution venues, and assess whether, by continuing to execute on that single execution venue, the investment firm concerned continues to comply with its obligation to obtain the best possible result for its clients.
- (19) To ensure that investment firms continue to comply with their obligation to obtain the best possible result for their clients, investment firms that conclude, based on their assessment, that their order execution policy presents deficiencies should correct those deficiencies as soon as possible after that assessment.
- (20) Grouping heterogeneous financial instruments into a single class may render it difficult to detect potentially insufficient execution quality for certain financial instruments within that class. For that reason, and to ensure that the execution quality can be effectively assessed for homogenous groups of financial instruments, investment firms should identify classes of financial instruments at a granular level, and in certain circumstances, identify separate subclasses of financial instruments.

- (21) Directive (EU) 2024/790 of the European Parliament and of the Council¹¹ amended Directive 2014/65/EU by (i) deleting the obligations for execution venues to make available to the public data relating to the quality of execution of transactions and the place of execution of the transaction and (ii) changing the content and format of information to be published by investment firms that execute client orders. It follows that Commission Delegated Regulation (EU) 2017/575¹², which laid down the requirements concerning the data to be published by execution venues on the quality of execution of transactions, and Commission Delegated Regulation (EU) 2017/576¹³, which set out obligations for investment firms to publish information on the identity of execution venues and the quality of execution obtained, should be repealed.
- (22) Given the need for investment firms to adjust their order execution policy, order execution procedures and related IT infrastructure to become compliant with the new requirements, this Regulation should start to apply 18 months after its date of entry into force.
- (23) This Regulation is based on the draft regulatory technical standards submitted by the European Securities and Markets Authority (ESMA) to the Commission.
- (24) ESMA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Securities and Markets Stakeholder Group established by Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council¹⁴,

HAS ADOPTED THIS REGULATION:

Article 1

Definition of execution venue

For the purposes of this Regulation, ‘execution venue’ means an execution venue as referred to in Article 64(1), second subparagraph of Delegated Regulation (EU) 2017/565.

¹¹ Directive (EU) 2024/790 of the European Parliament and of the Council of 28 February 2024 amending Directive 2014/65/EU on markets in financial instruments, (OJ L, 2024/790, 8.3.2024, ELI: <http://data.europa.eu/eli/dir/2024/790/oj>).

¹² Commission Delegated Regulation (EU) 2017/575 of 8 June 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 concerning the data to be published by execution venues on the quality of execution of transactions (OJ L 87, 31.3.2017, p. 152, ELI: http://data.europa.eu/eli/reg_del/2017/575/oj).

¹³ Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution (OJ L 87, 31.3.2017, p. 166, ELI: http://data.europa.eu/eli/reg_del/2017/576/oj).

¹⁴ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84, ELI: <http://data.europa.eu/eli/reg/2010/1095/oj>).

Article 2

Contents of an order execution policy

1. Investment firms shall ensure that their order execution policy contains the following:
 - (a) the internal governance procedures for the selection of execution venues;
 - (b) the measures taken to ensure that the selected execution venues are authorised by competent authorities or, where the execution venue is in a third country, by the third-country authorities.
2. Investment firms shall maintain an internal list of the execution venues selected as part of their order execution policy, which shall contain the following information in respect of each execution venue:
 - (a) the name and identifier of the execution venue;
 - (b) the date on which the investment firm approved the execution venue for its order execution policy;
 - (c) the name and function of the person or the governance body of the investment firm that approved the selection of the execution venue;
 - (d) the classes of financial instruments for which the execution venue may be used;
 - (e) the types of transactions for which the execution venue may be used, including securities financing transactions as defined in Article 3, point (11), of Regulation (EU) 2015/2365 of the European Parliament and of the Council¹⁵;
 - (f) whether the execution venue may be used only for retail or professional clients, or for both;
 - (g) any limitations, other than those set out in points (d), (e) and (f), to the use of the execution venue.
3. Investment firms shall specify in their order execution policy the arrangements and valuation systems, including a list of data providers used for that valuation, that are used to perform systematic and robust checks of the fairness of the price for orders executed on behalf of clients in classes of financial instruments, including bespoke products, executed over the counter, as required by Article 64(4) of Delegated Regulation (EU) 2017/565.
4. Investment firms that offer both the investment services of execution of orders on behalf of clients and reception and transmission of orders shall specify in their order execution policy how they comply with the obligation to act in the best interests of their clients, as required by Article 24(1) of Directive 2014/65/EU, when deciding whether or not to execute an order.

Article 3

Selection of execution venues for the order execution policy

¹⁵ Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (OJ L 337, 23.12.2015, p. 1, ELI: <http://data.europa.eu/eli/reg/2015/2365/oj>).

1. When selecting execution venues for their order execution policy, investment firms shall take into account the characteristics and needs of the clients to which they provide investment services and the elements referred to in Article 27(1) of Directive 2014/65/EU, including in particular:

- (a) the availability of certain order types;
- (b) for the criterion of size, the typical or relevant order sizes of their clients and the typical or relevant frequencies of orders;
- (c) for the criterion of price, a comparison of execution prices of potential execution venues with the reference data referred to in paragraph 2;
- (d) for the criterion of costs, the following fees and costs charged to the investment firm:
 - (i) order execution fees and any other trading fees on execution venues;
 - (ii) costs of membership to execution venues or connectivity to them;
 - (iii) costs and charges for clearing, settlement, custody and other administration services related to the choice of execution venues.

For the purposes of point (c), investment firms may use, for the reference dataset, information from consolidated tape providers, where such information is available.

2. The reference data on which investment firms shall rely, shall comply with the following conditions:

- (a) those data provide a complete and accurate presentation of the execution prices obtained in the market for the class of financial instruments assessed and that has been identified in accordance with Article 9;
- (b) those data contain at least the data on execution prices from the most liquid execution venues for the instruments traded within each class of financial instruments that has been identified in accordance with Article 9;
- (c) for classes of financial instruments that have been identified in accordance with Article 9 and any sub-classes of financial instruments in those classes, which are executed over-the-counter, including bespoke products, those data contain market data which enable the investment firm to assess the fairness of the price proposed to the client, as referred to in Article 64(4) of Delegated Regulation (EU) 2017/565.

Investment firms may use reference data from consolidated tape providers, where such information is available.

3. Investment firms that select only one execution venue to execute client orders for a given class of financial instruments identified in accordance with Article 9, or for all client orders, shall justify in their order execution policy how selecting only one execution venue ensures that that choice obtains the best possible result for clients on a consistent basis.

Article 4

Order routing criteria

1. Where a client order may be executed on two or more execution venues included in the list referred to in Article 2(2), investment firms shall specify in their order execution policy the criteria and their relative importance for identifying the execution venue where they expect to obtain the best possible result for executing a client order.

2. The criteria referred to in paragraph 1 shall enable investment firms to identify the execution venue expected to obtain the best possible result for executing the client order, including by taking into account the following:

- (a) the class of financial instruments that has been identified in accordance with Article 9;
- (b) whether the client is a retail or a professional client;
- (c) all costs directly related to the execution of the order, including any fees and commissions charged by the investment firm itself;
- (d) the size and nature of the order;
- (e) market data, including historical market data, where relevant and available.

Investment firms that execute orders on behalf of retail clients shall only take into account the criteria that have a direct impact on the total consideration for retail clients, as referred to in Article 27(1) of Directive 2014/65/EU.

3. Investment firm that use an automatic order routing system shall specify in their order execution policy:

- (a) the main characteristics of the system;
- (b) the arrangements in place to ensure that the functioning of that automatic order routing system takes into account the criteria set out in paragraphs 1 and 2 in order to obtain the best possible result for their clients.

Article 5

Client instruction

1. Investment firms shall set out in their order execution policy that specific instructions from their clients may prevent the investment firm:

- (a) from complying with all or part of the requirements laid down in Article 3;
- (b) from obtaining the best possible result when executing the client's order.

Investment firms that execute orders based on client instructions shall have in place arrangements on how to deal with those instructions in the client's best interest.

2. In their order execution policy, investment firms shall lay down how to differentiate between orders with and without specific client instructions.

An order with specific client instructions shall contain clear instructions from the client, including any of the following:

- (a) a choice by the client of one option out of multiple options offered by the investment firm related to a part or aspect of the order, or, where explicitly requested by the client, all parts and aspects of the order;

- (b) an instruction by the client to the investment firm to handle the order in a different way than provided for by the order execution policy of that investment firm.
3. Investment firms that receive a specific client instruction related to a part or aspect of the order shall only treat that part or aspect of the order as a specific client instruction. Investment firms shall ensure that all other parts or aspects are processed in the same way as orders without specific client instructions.
 4. Investment firms that offer a retail client a choice of the execution venue shall lay down the following in their order execution policy:
 - (a) how the order execution policy prevents inducing a client to choose a specific execution venue;
 - (b) where the commissions charged differ per execution venue, how the investment firm complies with Article 64(3) and Article 66(5) of Delegated Regulation (EU) 2017/565;
 - (c) that clients are free not to specify the execution venue of their choice, in which case the choice of the execution venue and the obligation to obtain the best possible result for the execution of the order remain the responsibility of the investment firm;
 - (d) that the order will be routed in accordance with the order execution policy of the investment firm where the client does not choose the execution venue.

Article 6

Dealing on own account when executing client orders

1. Investment firms the order execution policy of which permits those investment firms to execute orders of their clients by dealing on own account shall specify in their order execution policy the following:
 - (a) how the investment firm obtains the best possible result for its clients when executing client orders by dealing on own account;
 - (b) the measures implemented to identify, prevent, and manage the conflicts of interest related to executing client orders by dealing on own account;
 - (c) how the firm assesses the risks for clients when executing client orders by dealing on own account;
 - (d) the steps taken by the firm to comply with the obligations set out in Articles 67, 68, 69 and 70 of Delegated Regulation (EU) 2017/565;
 - (e) where the investment firm executes client orders in over-the-counter (OTC) products, how it complies with Article 64(4) of Delegated Regulation (EU) 2017/565 and how it ensures the fairness of the price.
2. Investment firms the order execution policy of which permits those investment firms to execute orders of their clients by dealing on own account shall check the fairness of the price proposed to the client by taking into account the price of the financial instrument observed on the market at the time of the transaction. Where no reliable price is available, those investment firms shall establish the reference price through the market price of other similar, comparable, or

underlying financial instruments. In the absence of reliable prices for similar, comparable, or underlying financial instruments, those investment firms shall use an internal pricing model, based on reliable and accurate data reflecting market conditions.

Article 7

Monitoring of the order execution policy

Investment firms shall monitor the effectiveness of their order execution policy, including the following elements:

- (a) whether client orders are executed in compliance with the order execution policy;
- (b) the quality obtained by executing client orders in compliance with the order execution policy;
- (c) the price of execution, taking into account the reference data, including, where available, reference data from the consolidated tape that the firm may have used;
- (d) for each class of financial instruments identified in accordance with Article 9, based on a representative sample for each class, whether the execution quality is obtained on a consistent basis, based on thresholds pre-determined by the investment firm for the following indicators:
 - (i) the accepted deviation of the execution price of client orders from the relevant value of execution prices in the reference data;
 - (ii) the minimum percentage of the total volume traded of executed client orders that meets the relevant values of execution prices in the reference data out of the total number of executed client orders;
 - (iii) the minimum number of executed client orders that meets the relevant values of execution prices in the reference data;
- (e) all other factors relevant to the execution of client orders as set out in Article 27(1) of Directive 2014/65/EU.

Article 8

Periodic assessment of the effectiveness of the order execution policy

1. Investment firms shall assess the effectiveness of their order execution policy, at least annually, and whenever:
 - (a) the monitoring of the order execution policy in accordance with Article 7 indicates that the investment firm does not comply with its order execution policy or with the requirements set out in Article 27(1) of Directive 2014/65/EU;
 - (b) a material change, as referred to in Article 65(7), fourth subparagraph of Delegated Regulation (EU) 2017/565, occurs that affects the ability of the investment firm to continue to obtain the best possible result for its clients.
2. The periodic assessment referred to in paragraph 1 shall in particular take into account:

- (a) the costs and fees charged to the investment firm as referred to in Article 3(1), point (c);
 - (b) the results of the monitoring referred to in Article 7;
 - (c) financial market developments, including liquidity dry-ups, and the impact of such developments on:
 - (i) the obtained and expected execution quality of the selected execution venues;
 - (ii) the ability of the selected execution venues to obtain the best possible result for clients of the investment firm on a consistent basis;
 - (d) the emergence of new execution venues, including:
 - (i) new functionalities offered by those new execution venues;
 - (ii) the cost-efficiency of the fee structures offered by those new execution venues;
 - (iii) the transparency in price formation offered by those new execution venues;
 - (iv) levels of liquidity or execution services offered by those new execution venues.
 - (e) the disappearance of the selected execution venues, including due to mergers or bankruptcies.
3. In addition to compliance with the requirements set out in paragraphs 1 and 2, investment firms that selected only one execution venue to execute client orders in a given class of financial instruments identified in accordance with Article 9 or all client orders shall assess periodically whether executing client orders on one execution venue continues to ensure that those investment firms obtain the best possible result for clients on a consistent basis. As part of the assessment, investment firms shall make a comparison with available alternative execution venues.
4. Investment firms shall update their order execution policy and internal arrangements to correct any deficiencies to the effectiveness identified in their periodic assessments as soon as possible within a reasonable period after the assessment, considering the seriousness of the deficiency.

Article 9

Classes of financial instruments

1. Investment firms shall identify classes of financial instruments for which they execute orders on behalf of clients in accordance with the Annex.
2. Investment firms shall identify separate subclasses of financial instruments, within the classes set out in the Annex, in either of the following circumstances:
 - (a) where a significant number of orders is executed or is expected to be executed in financial instruments with different methods of execution within the same class of financial instruments, as referred to in the Annex;
 - (b) where the classes set out in the Annex do not allow for an effective monitoring and assessment of the order execution quality.

Article 10

Repeal

Delegated Regulations (EU) 2017/575 and (EU) 2017/576 are repealed.

Article 11

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

It shall apply from [*Insert the date OP: 18 months after the date of entry into force.*]

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

Done at Brussels, 14.4.2026

For the Commission

The President

Ursula VON DER LEYEN