

# BrokerTec EU MTF Rulebook BROKERTEC EUROPE LIMITED

## PRODUCT APPENDIX: REPO

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**Contact**

Market Support Tel No: +44 (0) 20 7818 9890

Btec\_uk\_mktsupt@nex.com



## 1. Definitions and interpretation

The following definitions shall apply only to this Product Appendix: Repo in addition to the definitions contained in the Rulebook.

<b>All or Nothing Order</b>	means a Store Order or RFQ that shall not be capable of being Matched unless entirely filled, or may comprise multiple RFQs that are required to be executed at the same time.
<b>Bid</b>	means: <ol style="list-style-type: none"> <li>1. in relation to Repo Transactions, an Order stating a willingness to enter into the Repo Transaction as buyer under the Opening Transactions in respect of a Repo Security at, or within, the Repo Rate and for the Start Date, Term (if applicable) and Haircut (if applicable) indicated; and</li> <li>2. in relation to Spread Transactions, an Order stating a willingness to buy the Specific Leg and sell the Reference Security, each at or within, the price indicated.</li> </ol>
<b>Buy/Sell Back Repo Order</b>	has the same meaning as “Buy/Sell Back Transaction” in the Global Master Repurchase Agreement).
<b>Central Counterparty or CCP</b>	means the applicable central counterparty for any Market as set out in Annex 1.
<b>Closing Transactions</b>	means: <ol style="list-style-type: none"> <li>1. in relation to a Bilateral Market, the closing leg of a Repo Transaction under which the Repo Securities the subject of the Repo Transaction are due to be repurchased by the seller of the Repo Securities in the Opening Transaction; and</li> <li>2. in relation to a Cleared Market, the closing leg of a Repo Transaction under which the Repo Securities the subject of the Repo Transaction are repurchased (i) by the relevant Central Counterparty from the Participant submitting the Matched Bid, and (ii) by the Participant submitting the Matched Offer from the relevant Central Counterparty.</li> </ol>
<b>Classic Repo Order</b>	means an Order in relation to a Repurchase Transaction (as that term is defined in the Global Master Repurchase Agreement).
<b>Crossed Order</b>	means a Store Order whose Repo Rate is, if a Bid, lower than the best Repo Rate available at that time for an Offer, and if an Offer, higher than the best Repo Rate available at that time for a Bid, in each case for the relevant Repo Security, Start Date and Term.
<b>DBV Reference</b>	means a “Delivery By Value” Reference Security, tradeable in the gilt repo market only.
<b>GC Order</b>	means the information submitted to BrokerTec representing a Bid or an Offer in respect of a security in a GC Security Pool, being either (a) an RFQ in the case of trading through the RFQ Trading Protocol or (b) a Fill Order or a Store Order in the case of trading on the CLOB, and such term may include any part thereof.
<b>GC Repo Transaction</b>	means a Repo Transaction arising from a GC Order.
<b>GC Security</b>	means the Repo Security determined in accordance with Rule 4.3.2, as amended from time to time in accordance with Rule 10.2.3.
<b>GC Security Pool</b>	means the pool of eligible GC Securities from which the GC Security is determined, established by:

<p><b>Global Master Repurchase Agreement</b></p> <p><b>Haircut</b></p>	<ol style="list-style-type: none"> <li>the Operator or the CCP (as applicable) and which are indicated on BrokerTec from time to time; or</li> <li>in the case of GC Repo Transactions arising as a result of an RFQ, the Participant submitting the Offer (provided that the pool is first submitted to the Operator to then make it eligible for trading through the RFQ Trading Protocol).</li> </ol> <p>means the standard master agreement for repo transactions as developed and published by the Securities Industry and Financial Markets Association and the International Capital Market Association or other equivalent bodies from time to time.</p> <p>means the difference between the market value of the Repo Security (determined by a third party rate) and the purchase price paid for the Repo Security, expressed as a percentage.</p>
<p><b>ICMA</b></p>	<p>means the International Capital Market Association.</p>
<p><b>Money-Filled</b></p>	<p>means in relation to a Spread Transaction, the pricing methodology whereby the Reference Security contains the same start cash consideration as the Specific Leg, calculated as follows:</p> <p><i>Key:</i></p> <p>SS = Start Cash Consideration of Specific Security RS = Start Cash Consideration of Reference Security P1 = Price of Specific Security P2 = Price of Reference Security N1 = Nominal of Specific Security N2 = Nominal of Reference Security</p> <p><i>Calculation:</i></p> <p><math>N2 = (SS / P2) \times 100</math> RS = N2 x P2%</p> <p>RS = SS</p> <p>The RS value will always be rounded to the nearest thousand.</p>
<p><b>Offer</b></p>	<p>means:</p> <ol style="list-style-type: none"> <li>in relation to Repo Transactions, an Order stating a willingness to enter into the Repo Transaction as seller pursuant to the Opening Transactions in respect of a Repo Security at, or within, the Repo Rate and for the Start Date and Term (if applicable) indicated and Haircut, (if applicable); and</li> <li>in relation to Spread Transactions, means an Order stating a willingness to sell the Specific Leg and buy the Reference Security, each at or within the price indicated.</li> </ol>
<p><b>Open Repo Transaction</b></p>	<p>means an Opening Transaction and the related Closing Transaction where the date of the Closing Transaction is determined at a date later than the date of execution of the Opening Transaction, arising out of Matches of Bids and Offers in accordance with this Product Appendix, the Agreements and the relevant documentation between the counterparties to the Repo Transaction. Open Repo Transactions are only available in a Bilateral Market.</p>
<p><b>Opening Transactions</b></p>	<p>means:</p> <ol style="list-style-type: none"> <li>in relation to a Bilateral Market, the opening leg of a Repo Transaction under which the Repo Security(s) the subject of the Repo Transaction are sold by the relevant Participant; and</li> <li>in relation to a Cleared Market, the opening leg of a Repo Transaction under which the Repo Security the subject of the Repo Transaction are sold (i) by the Participant submitting the Matched</li> </ol>

	Offer to the Central Counterparty, and (ii) by the Central Counterparty to the User submitting the Matched Bid.
<b>Order</b>	means either a GC Order or a Specific Order.
<b>Par-Filled</b>	means in relation to a Spread Transaction, the pricing methodology whereby the Reference Security contains the same nominal amount as the Specific Leg on a 1:1 ratio.
<b>Primary Confirmation</b>	means a notice sent by the Operator to the Participant following the Matching of Orders in a Bilateral Market by BrokerTec, including the details of the Matched Order and the identity of the other Participant.
<b>Reference Security</b>	means any Repo Security determined by the Operator (in its reasonable discretion) as the benchmark Repo Security for any Spread Transaction.
<b>Repo Security</b>	means those Securities set out in Annex 1 or as notified by the Operator from time to time which are eligible to be traded on BrokerTec.
<b>Repo Rate</b>	means the rate specified by the Participant for the relevant Repo Transaction submitted to BrokerTec in an Order.
<b>Repo Transaction</b>	means either a Term Repo Transaction or an Open Repo Transaction.
<b>Specific Leg</b>	means any Repo Security which is not the Reference Security in any proposed Spread Transaction.
<b>Specific Order</b>	means the information submitted to BrokerTec representing a Bid or an Offer in respect of a Specific Security, being either (a) an RFQ in the case of trading through the RFQ Trading Protocol or (b) a Fill Order or a Store Order in the case of trading on the CLOB, and such term may include any part thereof.
<b>Specific Repo Transaction</b>	means a Repo Transaction in respect of a Specific Security.
<b>Specific Security</b>	means any Repo Security specified at the time of the Order.
<b>Spread Transaction</b>	<p>means one economic contract for the sale or purchase of a Repo Security in consideration for the simultaneous sale or purchase (as appropriate) of the Reference Security as a result of a Match of a Bid and Offer in accordance with the Agreements, the Rulebook and the applicable Central Counterparty rules. Each Spread Transaction shall be made of the following contracts:</p> <ol style="list-style-type: none"> <li>1. in relation to the Participant submitting the Matched Bid, the purchase of the Specific Leg from, and the sale of the Reference Security to, the Central Counterparty; and</li> <li>2. in relation to the Participant submitting the Matched Offer, the sale of the Specific Leg to, and the purchase of the Reference Security from, the Central Counterparty.</li> </ol>
<b>Start Date</b>	means the date on which the Opening Transaction is settled.
<b>Store Order</b>	means an Order which is to be submitted directly to the Order Book without being subject first to the Matching process or is that part of a Fill and Store Order which is not initially filled pursuant to the Matching process, and shall include an All or Nothing Order.
<b>Term</b>	means the number of days after the Start Date that the Closing Transactions are to be settled.
<b>Term Repo Transaction</b>	means an Opening Transaction and the related Closing Transaction, executed simultaneously and arising out of Matches of Bids and Offers in accordance with this Product Appendix, the Agreements and (a) for a Bilateral Market, the relevant documentation between the counterparties to the Repo Transaction and (b) for a Cleared Market, the rules of the relevant Central Counterparty.
<b>Unwind Period</b>	<p>means, for CLOB trading:</p> <ol style="list-style-type: none"> <li>1. for any Repo Security denominated in Euro or USD, the two (2)</li> </ol>

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minute period; and

2. for Gilts, the four (4) minute period,

(or such other period as notified to the Participant by the Operator from time to time) following the Matching of Orders by BrokerTec in accordance with this Product Appendix; and

means for RFQ trading, for all Repo Securities, a fifteen (15) minute period.

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## 2. General

- 2.1. This Product Appendix sets out additional Rules for Participation and executing Repo Transactions on BrokerTec, to ensure the orderly conduct of business. Repo Transactions may be executed on BrokerTec as a result of either GC Orders or Specific Orders.
- 2.2. Where indicated, certain Rules in this Appendix have specific application to Repo Transactions as indicated by Market and/or Eligible Instruments. The Rules are binding on all Participants.
- 2.3. BrokerTec is open for the trading of Repo Securities between 6:45am and 5:15pm London time on the Trading Days set out in Annex 1.

## 3. Eligibility criteria

- 3.1. In addition to satisfying the Eligibility Criteria set out in the Rulebook, the Participant shall satisfy and shall continue to satisfy all of the following Eligibility Criteria throughout its Participation:
  - 3.1.1. the Additional Requirements set out in the tables set out in Annex 1; and
  - 3.1.2. for any Bilateral Market, the Participant has sufficient credit lines and Global Master Repurchase Agreements (or equivalent supporting documentation for the relevant trade and collateral type), and has completed any necessary onboarding procedures or (where agreed between the Participants) European Master Agreements in place with a sufficient number of the existing Participants in the relevant Bilateral Market. The Operator shall assess (but is not responsible for) a Participant's compliance with this requirement by reference to the size and nature of the Market itself, the number and nature of Participant's credit lines and trading relationships with other Participants and taking into account its responsibility to maintain an orderly market.

## 4. Trading procedures

### 4.1. Submitting Orders

- 4.1.1. Provided that an Authorised User is permitted by a Participant and the Operator to trade in a Market in accordance with Rule 4 of the Rulebook, a Participant shall, subject to the Agreements, have the right to submit Orders or initiate an enquiry via RFQ in respect of any Repo Security. In respect of each Order submitted through its Participant Access Code, Participant represents that it has due capacity to settle any Repo Transaction arising out of that Order.
- 4.1.2. On the CLOB, no Specific Order shall be submitted for less than one (1) million in nominal value. There is no minimum nominal value on the RFQ Trading Protocol.
- 4.1.3. On the CLOB, no GC Order shall be submitted for less than twenty-five (25) million in nominal value or multiples thereof. There is no minimum nominal value on the RFQ Trading Protocol.
- 4.1.4. In a Cleared Market, any Order that is a Crossed Order shall not be accepted by BrokerTec. Crossed Orders may occur in a Bilateral Market as a result of the credit settings established in accordance with Rule 10 of the Rulebook and Rule 7.1 of this Product Appendix.
- 4.1.5. All Orders submitted to the CLOB shall be Classic Repo Orders. All Orders submitted to the RFQ Trading Protocol may be Classic Repo Orders or Buy/Sell Back Repo Orders.
- 4.1.6. The Advanced Matching Rules set out in the Rulebook shall apply to this Product Appendix.

## 4.2. Treatment of Orders

### 4.2.1. On the CLOB:

- (a) Store Orders shall be placed on the Order Book and will be ranked in priority as to Repo Rate and time received. No Order on the Order Book will be Matched other than with a Fill Order. Fill Orders shall be subject to immediate Matching with the Order Book when received by BrokerTec and treated in accordance with the type of Fill Order. An All or Nothing Order shall only be capable of being filled in its entirety.
- (b) For any Order which has Hidden Volume, the Hidden Volume shall not be made available to the Matching process and/or shown in the Order Book, as the case may be, until the whole of the Show Amount then existing for that Order has been filled, whereupon any unfilled volume from the incoming Fill Order shall be Matched against the remaining Hidden Volume from the top shown Order and then the next shown Order until all volume of the incoming Order is Matched.
- (c) Orders in a Bilateral Market may only be Matched with other Orders in that same Bilateral Market. Orders in a Cleared Market may only be Matched with other Orders in that same Cleared Market.
- (d) Whenever BrokerTec receives a Fill Order, it will undertake a Matching process between that Fill Order and the Order Book whereby Bids will be Matched with Offers, or parts thereof, and vice versa, where the Repo Rate of the Order on the Order Book is equal to or within the Repo Rate of the Fill Order. All Matching will be subject to the ranking of Orders established in Rules 4.2.1(a), (b) and (c) and any minimum part sizes imposed on such Orders. Specific Orders may be partially filled in the Matching process, except for a Fill or Kill Order or Fill and Kill Order, provided that no such partial amount will be in an increment of less than the minimum sizes set out in Rule 4.1.2 and Rule 4.1.3.
- (e) Only Orders for identical Start Dates and Terms shall be Matched. GC Orders shall only be Matched with other GC Orders for the same GC Security Pool. In addition, a Specific Order shall only be Matched with another Specific Order.

### 4.2.2. RFQ Trading Protocol:

- (a) Orders in a Bilateral Market may only be Matched with other Orders in that same Bilateral Market. Orders in a Cleared Market may only be Matched with other Orders in that same Cleared Market.
- (b) Only Orders for identical Start Dates and Terms shall be Matched, GC Orders shall only be Matched with other GC Orders for the same GC Security Pool. A Specific Order shall only be Matched with another Specific Order and a Classic Repo Order shall only be Matched with another Classic Repo Order.

## 4.3. Execution of Repo Transactions

- 4.3.1. Subject to Rule 6.1 for any Cleared Market and subject always to Rule 7.1 for any Bilateral Market, where a Match exists between a Bid and an Offer in respect of a Specific Security, or a part thereof, a Repo Transaction shall be executed in respect of the Bid and Offer, or parts thereof, at the Repo Rate and Term (if applicable) displayed by the Order in the Order Book. The Orders which are the subject of a Repo Transaction will be removed from the Order Book and/or the Matching process and, where only part of an Order has been the subject of a Repo Transaction, the remainder shall remain in the Order Book or the Matching process as applicable.
- 4.3.2. Where a Match exists between a Bid and an Offer in respect of a GC Security Pool, or a part thereof in either case, the Participant submitting the Offer shall specify the GC Security to be the subject of the Repo Transaction no later than one hour prior to the Central Counterparty's cut off time as set out in its

operational procedures, unless the Opening Transaction occurs less than or equal to one hour prior to the Central Counterparty's cut off time as set out in its operational procedures, in which case the Participant submitting the Offer shall specify the GC Security to be the subject of the Repo Transaction no later than such cut off time. On the CLOB (but not in the RFQ Trading Protocol), the Participant submitting such Offer shall allocate the GC Security in amounts set out in Annex 2. Immediately upon the GC Security being so specified a Repo Transaction shall be executed in respect of the Bid and Offer, or parts thereof, in respect of the type and amount of GC Security so specified, at the Repo Rate and Term (if applicable) displayed by the Order in the Order Book. The Orders which are the subject of a Repo Transaction will be removed from the Order Book and/or the Matching process, as applicable, and, where only part of an Order has been the subject of a Repo Transaction, the remainder shall remain in the Order Book or the Matching process as applicable.

- 4.3.3. Notwithstanding the above, no Repo Transaction shall arise where a Match is made where the Participant has been suspended, whether temporarily or not, from BrokerTec. In the case of a GC Order, for the avoidance of doubt, should a Participant be suspended subsequent to the submission of the GC Order but prior to the allocation of the relevant GC Security in accordance with Rule 4.3.2, no Repo Transaction shall arise.
- 4.3.4. For any Repo Transaction except an Open Repo Transaction, BrokerTec shall calculate the cash consideration payable under the Opening Transaction and Closing Transaction based on market prices for the relevant Repo Security and the Repo Rate at which the Repo Transaction was executed. For Open Repo Transactions, BrokerTec shall calculate the cash consideration payable in accordance with (1) the price of the Repo Security and any substituted Repo Security; and (2) the Repo Rate and any new Repo Rates, as agreed by the Participants when re-rating the Repo Transaction in accordance with Rule 10. Following execution of the Closing Transaction the Participants may agree any amendment to the cash consideration payable. All Repo Rates are displayed by the Operator in BrokerTec.

#### 4.4. Execution of Spread Transactions

- 4.4.1. In relation to Spread Transactions, all prices quoted shall refer to the rate differential between the Specific Leg and the Reference Security.
- 4.4.2. In relation to Spread Transactions, the Participant acknowledges and agrees that:
  - (a) a purchase of a Specific Leg pursuant to a Bid shall include a simultaneous sale of a Money-Filled or Par-Filled amount of the Reference Security; and
  - (b) a sale of a Specific Leg further to an Offer shall include a simultaneous purchase of a Money-Filled or Par-Filled amount of the Reference Security.
- 4.4.3. In respect of settlement of Repo Securities making up the Spread Transaction, the Operator shall determine the nominal amount of the Reference Security in accordance with either the Par-Filled or Money-Filled methodology, as chosen by the Participants to the Spread Transaction. The Participant acknowledges and agrees that such nominal amount may not be a round amount and that the Participant shall be bound to provide or receive such amount, whether round or not.
- 4.4.4. The types of Spread Transactions that are available on BrokerTec are:
  - (a) Specific Security vs Specific Reference (Par-Filled)
  - (b) Specific Security vs Specific Reference (Money-Filled)
  - (c) Specific Security vs DBV Reference (Money-Filled)



- (d) Specific Security vs security in a GC Security Pool (Money-Filled); and
- (e) Specific Security vs security in a GC Security Pool (Par-Filled).

## 5. Confirmations

- 5.1. Subject to Rule 5.3, each Specific Repo Transaction executed shall be evidenced by a confirmation, which shall be sent by the Operator to the Participant that is party to the Repo Transaction, promptly after the time that the relevant Repo Transaction is executed (or in the case of an Open Repo Transaction, the time the Opening Transaction is executed). The confirmation shall include all relevant details, including the Specific Repo Securities, the nominal, the cash consideration payable, the Repo Rate, the Term (if applicable), the Start Date and the time the Repo Transaction was executed (or in the case of an Open Repo Transaction, the time the Opening Transaction is executed).
- 5.2. Subject to Rule 5.3, each GC Repo Transaction shall be evidenced by one or more confirmations which shall be sent by the Operator to the Participant that is party to the Repo Transaction. The first confirmation shall be sent promptly after the time that the relevant Repo Transaction is executed (or in the case of an Open Repo Transaction, the time the Opening Transaction is executed) and each subsequent confirmation shall be sent to the party promptly upon the allocation procedure set out in Rule 4.3.2 having been completed. The confirmations shall together include all relevant details, including the identity of the GC Repo Securities, the nominal, the cash consideration payable, the Repo Rate, the Term (if applicable), the Start Date and the time the Repo Transaction was executed (or in the case of an Open Repo Transaction, the time the Opening Transaction is executed).
- 5.3. For any Bilateral Market, any Matching of Orders shall be evidenced by the Primary Confirmation, which shall be sent by BrokerTec to the Participant promptly after the Match is made. After the end of the Unwind Period, provided that no rejection has then been made, the Primary Confirmation shall be deemed to be a “confirmation” for the purposes of this Product Appendix.
- 5.4. The confirmation or series of confirmations shall, subject to manifest error, be deemed to be sufficient proof of the existence of a Repo Transaction; provided that, if the Operator determines that any Repo Transaction is executed in error by BrokerTec, the Operator shall notify the relevant Participants and such Participants shall not have any rights or obligations in respect of such Repo Transaction, which shall be null and void and neither BrokerTec nor the applicable Central Counterparty (where applicable) shall have any liability in respect thereof. In any Cleared Market, the Operator shall deliver the trade details to the relevant Central Counterparty in respect of each Repo Transaction.

## 6. Cleared Market rules

- 6.1. Where the Central Counterparty rejects Matched Orders in accordance with the Central Counterparty’s rules (such as where the Participant is a defaulter within the meaning of the Central Counterparty’s rules) no Repo Transaction shall arise, the Matched Orders shall be cancelled and neither the Operator nor the Central Counterparty shall have any liability in respect thereof.

## 7. Bilateral Market rules

### 7.1. Credit Setting

- 7.1.1. For any Bilateral Market, the Participant is required to notify the Operator, or appropriately self-manage, whether there are any other Participants in that Market with which it cannot enter into Repo Transactions. It is the sole responsibility of the Participant to notify the Operator of any changes to its trading status with other Participants.

## 8. Rejection of Matched Orders on the CLOB

- 8.1. Where a Match exists between a Bid and an Offer, or part thereof in either case, BrokerTec will send the Participant a Primary Confirmation in accordance with Rule 5.3.
- 8.2. On the CLOB, in circumstances where Participant has a legitimate credit related reason for not entering into a Repo Transaction with another Participant after its identity is disclosed, it may (acting in good faith) reject the Matched Order by communicating such rejection to the other Participant and the Operator during the Unwind Period.
- 8.3. The Participant represents and warrants to BrokerTec (for the benefit of every other Participant) that it shall only reject Matched Orders for the reasons described in Rule 8.2. This representation and warranty shall be deemed repeated on each occasion the Participant places an Order pursuant to this Product Appendix.
- 8.4. If at the expiry of the Unwind Period no rejection has been communicated to the Operator and the other Participant, BrokerTec will execute a Repo Transaction in accordance with Rule 4.3.1.
- 8.5. For the avoidance of doubt, if either Participant rejects the Matched Orders, the relevant Orders shall be removed from the Order Book in any event.

## 9. Misuse of BrokerTec

- 9.1. Where Orders placed by the Participant are rejected, for whatever reason, and the Operator reasonably believes that due to the placing and/or rejection of Orders Participant is overloading the Order Book or otherwise misusing BrokerTec, the Operator reserves the right to suspend Participant's access to Repo Securities traded on BrokerTec for the rest of the Trading Day or other period it regards as necessary or appropriate. BrokerTec shall make reasonable efforts to notify Participant of any such proposed suspension in advance.

## 10. Repo Transaction terminations, cancellations and amendments

### 10.1. Cancellations and Amendments

- 10.1.1. Counterparties to a Repo Transaction concluded in any Bilateral Market who bilaterally determine to terminate, cancel or amend: such Repo Transaction shall notify the Operator of such cancellation or amendment as soon as practicable and by no later than the day of settlement.

### 10.2. Open Repo Transactions Terminations and Amendments

- 10.2.1. Each counterparty to an Open Repo Transaction may terminate it by notifying the other counterparty and either Participant must notify the Operator within the notice period determined by the Operator, in its sole discretion, as notified to the Participants from time to time. The settlement date will be in accordance with the ICMA recommended deadlines as set out in Annex 4 (as may be amended by ICMA from time to time) or such later date as notified to the Operator by the Participants through the System. The Operator may in its sole discretion override the settlement date of any Closing Transaction where it deems it necessary.
- 10.2.2. Counterparties to an Open Repo Transaction may agree to amend the Repo Rate of any Open Repo Transaction in accordance with Rule 10.1.1. The new Repo Rate will apply from the date on which the Operator is notified plus one (1) Business Day. The Operator may in its sole discretion override the date on which the new Repo Rate takes effect where it deems it necessary.
- 10.2.3. The Participant acting as seller in an Open Repo Transaction may substitute the Specific Security or the GC Security which is the subject of the Open Repo Transaction for any other Repo Security of equal quality and value on agreement with the buyer of the Open Repo Transaction. The selling Participant shall notify the Operator within such period determined by the Operator, in its sole discretion, as notified to the

Participants from time to time. For the avoidance of doubt, substitution of Specific Security or GC Security is considered to be an amendment of the Open Repo Transaction except where it is not feasible for jurisdictional or operational reasons, in which case any substitution of the Specific Security or GC Security of an Open Repo Transaction, will require the cancellation of the Open Repo Transaction and the execution of a new Open Repo Transaction.

## 11. General

- 11.1. The Operator shall not be responsible for any consequences of the Participant entering into Repo Transactions without appropriate documentation, including but not limited to legal, regulatory, accounting or tax costs, losses or expenses of whatever nature associated with the same.

## 12. Error trades

- 12.1. Error Trades shall be treated in accordance with the Error Trade Resolution Policy set out in Annex 3 (as amended from time to time).

## Annex 1

### Government Backed Securities

Market		Additional Requirements	Repo Transaction type	Trading Days	
United Kingdom	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>LCH Limited</li> </ul>	For CLOB trading, the Participant must be authorised by LCH Limited to enter into Repo Transactions on BrokerTec. For the RFQ Trading Protocol, the Participant must either be authorised by LCH Limited to enter into Repo Transactions on BrokerTec or maintain an agreement with an LCH Limited Agent Member for the clearing of Repo Transactions on BrokerTec.	Classic Repos on all UK Gilts available on BrokerTec	All UK Business Days
	Bilateral Market	Central Securities Depositories (CSD): <ul style="list-style-type: none"> <li>Euroclear UK &amp; Ireland Limited</li> </ul>	For CLOB trading, the Participant must have an account (whether direct or indirect) at the CSD for the settlement of Repo Transactions.	Classic Repos on all UK Gilts available on BrokerTec	All UK Business Days

## Supranationals and Covered Bonds

Market			Additional Requirements	Repo Transaction type	Trading Days
United Kingdom	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>LCH Limited</li> </ul>	For CLOB trading, the Participant must be authorised by LCH Limited to enter into Repo Transactions on BrokerTec. For the RFQ Trading Protocol, the Participant must either be authorised by LCH Limited to enter into Repo Transactions on BrokerTec or maintain an agreement with a LCH Limited Agent Member for the clearing of Repo Transactions on BrokerTec.	Classic Repos on European Covered Bonds available on BrokerTec	For GBP denominated Covered Bonds, UK Business Days
	Bilateral Market	International Central Securities Depositories (ICSD): <ul style="list-style-type: none"> <li>Euroclear Bank NV</li> <li>Clearstream Banking SA, Luxembourg</li> </ul>	The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of Repo Transactions. For CLOB trading, the Participant is required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to Repo Transactions to the Participant's nominated ICSD account.	Classic Repos on European Covered Bonds available on BrokerTec CLOB and RFQ Trading Protocol (and Buy/Sell Back Repos on the RFQ Trading Protocol).	For GBP denominated Covered Bonds, UK Business Days

## Corporates

Market			Additional Requirements	Repo Transaction type	Trading Days
Corporates	Bilateral Market	Central Counterparty: <ul style="list-style-type: none"> <li>• LCH Limited</li> </ul> International Central Securities Depositories (ICSD): <ul style="list-style-type: none"> <li>• Euroclear Bank NV</li> <li>• Clearstream Banking SA, Luxembourg</li> <li>• Clearstream Banking AG</li> </ul>	The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of Repo Transactions.	Classic Repo on Corporate Bonds available on BrokerTec CLOB and RFQ Trading Protocol (and Buy/Sell Back Repos on the RFQ Trading Protocol).	TARGET Business days

## Annex 2

### Allocation Band

Nominal Value (million)	Maximum no of Repo Securities
0 – 50	2
51 – 100	4
101 – 200	8
201 – 1,000	12
1,001 – 2,000	16
2,001 – 4,999	20
≥ 5,000	25

## Annex 3

### Error Trade Resolution Policy

#### 1. Objective

- 1.1. This Policy is issued pursuant to the BrokerTec EU MTF Rulebook, the Product Appendix: Repo and the Agreements. The purpose of this Policy is to set out the factors and process that the Operator may consider and employ when handling requests for cancellations of Repo Transactions offered on BrokerTec.
- 1.2. In the event of conflict between the BrokerTec EU MTF Rulebook, the Product Appendix: Repo and the Agreements, the following order of precedence shall apply to the extent of any inconsistency: 1. this Policy; 2. the Product Appendix: Repo; 3. the Rulebook; and 4. the Agreements.

#### 2. Additional definitions

- 2.1. In this Policy, the following words and expressions have the following meanings:
  - 2.1.1. “Error Trade” means any Repo Transaction determined to be “inconsistent” in accordance with paragraph 3.2 of this Policy.
  - 2.1.2. All other capitalised terms used in this Policy shall have the meaning ascribed to them in the Rulebook and Product Appendix: Repo.

#### 3. Error trades – transaction cancellation procedure

##### Manifest error: calculation of an off-Market Transaction

- 3.1. A Participant may request that a Transaction be reviewed (a “**Review Request**”) in accordance with this Error Trade Policy by submitting a Review Request by the close of the Trading Day on which the Relevant Transaction is executed. For the avoidance of doubt, a Review Request received by the Operator by the close of the Trading Day on which the Transaction is executed validly invokes this Error Trade Policy irrespective of whether the counterparty to the Relevant Transaction has been notified of the Review Request. Participants agree that this Error Trade Policy cannot be invoked for any Review Request received after the close of the Trading Day on which the Relevant Transaction is executed. Any Review Request received after the close of the Trading Day shall be treated as a validly received Cancellation Request and Rule 17.3 to Rule 17.14 of the Rulebook shall apply.
- 3.2. In the event that a Participant validly submits a Review Request in accordance with paragraph 3.1 of this Policy, the Operator shall, in accordance with the procedure set out herein, verify whether the Relevant Transaction was executed at a Repo Rate which is “inconsistent” with the market value at the time of execution. To be “inconsistent” with the market value, the price at which the Relevant Transaction was executed must have been a Repo Rate outside the bid/offer spread on a specific Eligible Instrument at the time of execution of the Relevant Transaction, calculated as set out below.
- 3.3. In order to calculate whether the Relevant Transaction is outside the then current bid/offer spread, the Operator will request that no less than five (5) Participants (excluding the counterparties to the Relevant Transaction) (the “**Surveyed Participants**”) provide a two-way inter-dealer quote for the relevant Eligible Instrument at the time of execution of the Relevant Transaction.
- 3.4. As soon as possible after the Operator’s request, the Surveyed Participants shall be required to communicate their bid/offer (i.e. the quote of a two-way inter-dealer Repo Rate at the time of execution of the Relevant Transaction) to the Operator for that Eligible Instrument at that time.



- 3.5. In conducting the calculation, the Operator shall exclude the two-way inter-dealer quote with the widest bid/offer spread and average the remaining quotes in order to determine the average bid/offer spread.
- 3.6. The Participants who are counterparties to the Relevant Transaction shall not contact any of the Surveyed Participants concerning the Relevant Transaction or its proposed cancellation.
- 3.7. The Operator, if so requested by both counterparties to the Relevant Transaction, may distribute the prices used in the calculation but not the names of the Surveyed Participants who provided the two-way inter-dealer quotes.
- 3.8. The Operator shall notify the counterparties to the Relevant Transaction whether or not the price at which the Relevant Transaction was executed is determined to be “inconsistent” (as defined in paragraph 3.2 of this Policy). The Operator shall use its reasonable endeavours to notify the counterparties to the Relevant Transaction as soon as reasonably practicable.
- 3.9. If the Relevant Transaction is determined to be “inconsistent” under this paragraph, the counterparties shall promptly agree to the cancellation of the Relevant Transaction. The counterparties shall take all such action required to effect the cancellation of the Relevant Transaction. Failure by any Participant to comply with any instruction from the Operator to cancel, revise or reverse a Relevant Transaction is a material breach of the Rulebook and the Agreements.

#### Annex 4

ICMA recommended deadlines for the notification of the termination of open repos (Extract from ICMA ERCC Guide to Best Practice in the European Repo Market: December 2018-19)

Market	Issuer	Currency	ISIN prefix	Notification deadline	Settlement date
Emerging market	all	USD	US	Noon NYT	T+1
			All non-US ISIN including XS	Noon NYT	T+1
		EUR		Noon UKT	T+1
Developed market	corporate	USD	US	Noon NYT	T+1
			All non-US ISIN including XS	Noon UKT	T+1
		EUR		Noon UKT	T+1
		GBP		Noon UKT	T+1
	sovereign	USD	US	10:00 NYT	T+0
			All non-US ISIN including XS	Noon UKT	T+1
		EUR		13:00 CET	T+1
		GBP		10:00 UKT	T+0

CET = Central European Time; NYT = New York Time; UKT = UK Time



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