

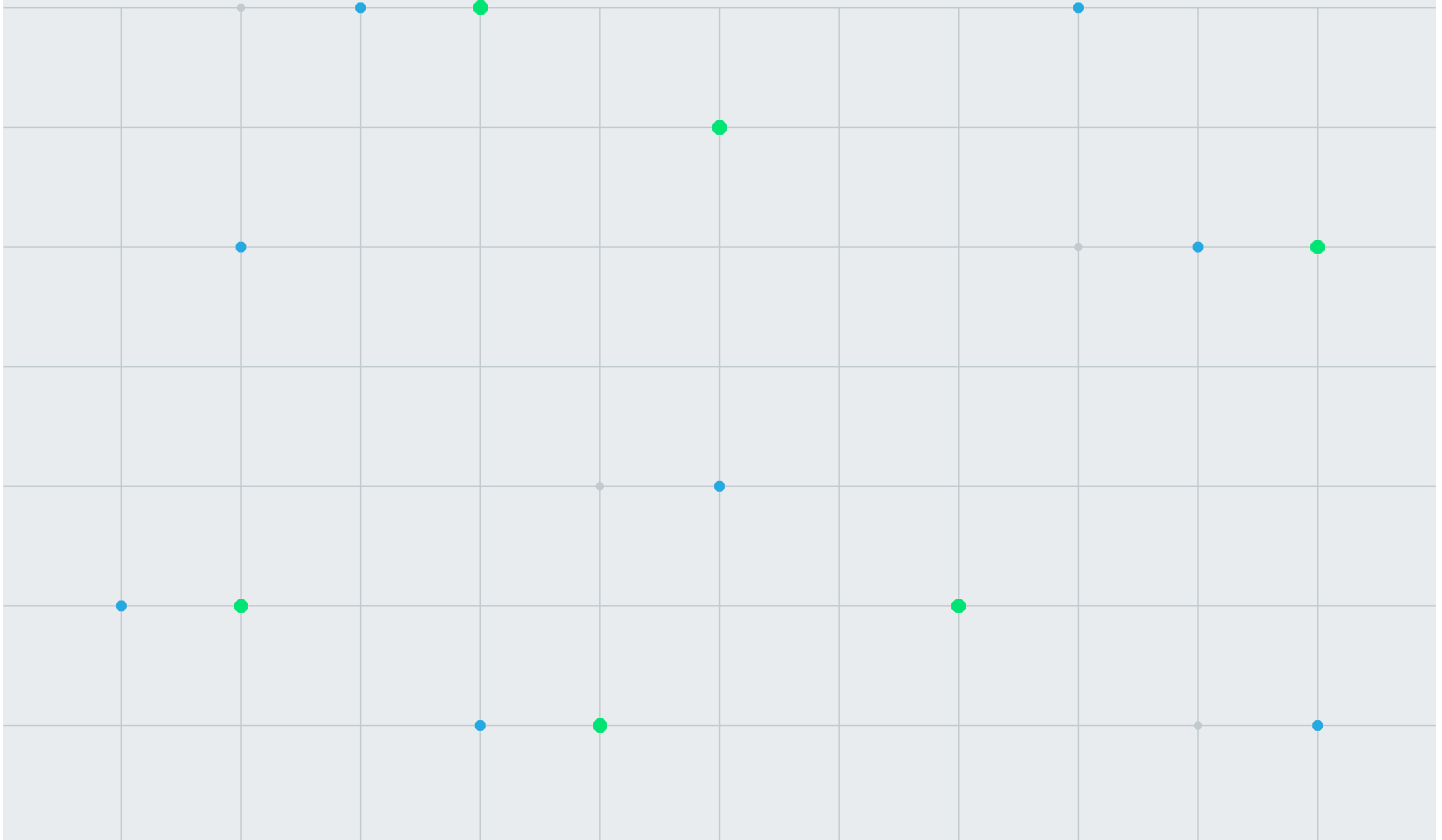
BrokerTec EU MTF Rulebook

BROKERTEC EUROPE LIMITED

Effective: 18 January 2021

Contact

Market Support Tel No: +44 (0) 20 7818 9890
Btec_uk_mktsupt@nex.com



Contents

| | | |
|-----|--|----|
| 1. | DEFINITIONS AND INTERPRETATION | 3 |
| 2. | GENERAL | 7 |
| 3. | PARTICIPATION | 7 |
| 4. | ELIGIBILITY | 7 |
| 5. | PARTICIPANT OBLIGATIONS | 8 |
| 6. | CONDUCT RULES | 10 |
| 7. | TRADING DAYS | 10 |
| 8. | PRODUCTS | 11 |
| 9. | TRADING RULES | 11 |
| 10. | CREDIT SETTING AND RESTRICTIONS | 15 |
| 11. | MARKET MAKER PROGRAMMES | 15 |
| 12. | FEES | 16 |
| 13. | NOTIFICATION | 16 |
| 14. | SUSPENSION OR TERMINATION OF PARTICIPATION | 17 |
| 15. | RESIGNATION | 17 |
| 16. | CONSEQUENCES OF SUSPENSION, TERMINATION, RESIGNATION | 18 |
| 17. | TRADE CANCELLATION AND ERROR TRADES | 18 |
| 18. | TRADE CAPTURE AND CONFIRMATION | 19 |
| 19. | CLEARING AND SETTLEMENT | 19 |
| 20. | PRE AND POST TRADE TRANSPARENCY | 21 |
| 21. | TRANSACTION REPORTING | 21 |
| 22. | TELEPHONE RECORDING | 21 |
| 23. | ALGORITHMIC TRADING | 22 |
| 24. | CONFIDENTIALITY | 22 |
| 25. | CO-OPERATION WITH REGULATORY AUTHORITIES | 23 |
| 26. | COMPLAINTS | 23 |
| 27. | AMENDMENTS AND NOTICES | 23 |
| 28. | GOVERNING LAW | 23 |

1. Definitions and interpretation

In this Rulebook, the following words have the corresponding meanings:

| | |
|---|---|
| Affiliates | means, in respect of any party, persons who control, are controlled by or are under the common control of such party. |
| Agreements | means the agreement(s) governing the Participant's access to and use of BrokerTec, including without limitation any of the following items which apply to the Participant: the relevant Electronic Broking Master Participant Trading Agreement, the client classification letter, the brokerage letter, the Sublicense and Licence Agreement and any documents referred to therein. |
| Applicable Law | means the law that applies to a person and the activity which that person is engaged in. |
| Applicant | means a person who has applied to become a Participant in accordance with this Rulebook. |
| Authorised User | means a user of BrokerTec, being a Participant's authorised employee, officer, agent, or designee (including any application programming interface) as notified to the Operator by the Participant. |
| Bid | has the meaning given to it in any Product Appendix. |
| Bilateral Market | means any Market in which a Transaction is directly settled between the counterparties to the Transaction. |
| BrokerTec | means the MTF operated by BTEU, which is allocated the MIC reference BTEE. |
| BTEU | means BrokerTec Europe Limited, a company registered in England and Wales and authorised and regulated by the FCA. |
| Business Clocks CDR | means Commission Delegated Regulation (EU) 2017/574, or in the event of a No Deal Brexit, Commission Delegated Regulation (EU) 2017/574 as retained in UK law under the EUWA. |
| Business Day | means a day other than a Saturday or Sunday or public holiday in England. |
| Cancellation Request | has the meaning given to it in Rule 17.4. |
| Central Counterparty or CCP | means the applicable central counterparty for any Cleared Market as set out in the Product Appendices. |
| Central Limit Order Book or CLOB | means an Order Book where Orders are displayed to all Participants and are Matched on a price-time priority basis. |
| Certification Tests | means the tests as specified by the Operator from time to time, to ensure that the basic functioning of an Applicant's trading systems, algorithms and strategy complies with the requirements of the Trading Venue Organisational Requirements CDR and any other conditions specified by the Operator from time to time. |
| Cleared Market | means any Market in which a Transaction is cleared by a Central Counterparty. |
| Clearing Member | means a member of a Central Counterparty which has the ability to clear at the relevant Central Counterparty in accordance with the applicable Central Counterparty's rules. |
| COD | means Cancel On Disconnect, as described in Rule 9.2.6. |
| Default Event | shall include the following: <ol style="list-style-type: none"> 1. where an event or circumstance leads the Operator to determine in its sole discretion that Participant or Underlying Client is or appears to be unable or likely to become unable: <ol style="list-style-type: none"> (a) to meet their obligations in respect of an Order or Transaction; (b) to comply with any other obligation under the Rules, the Agreements, or law relevant to its business as a Participant or Underlying Client; or 2. a default or any analogous event under any rules of any clearing house which clears the Participant's or the Underlying Client's Transactions; or 3. where Operator is notified of or becomes aware of the occurrence of an Insolvency Event. |
| Deferral | has the meaning given to it in Rule 20.2. |
| Direct | shall have the meaning in Article 4(1)(41) MiFID II, or in the event of a No Deal Brexit, as |

| | |
|--------------------------------------|---|
| Electronic Access | defined in the FCA Rules. |
| Disorderly Trading Conditions | means a situation where the maintenance of fair, orderly and transparent execution of trades is compromised. |
| Eligibility Criteria | means the criteria for eligibility for Participation on BrokerTec as set out in this Rulebook. |
| Eligible Instrument | means any specific Security. |
| Error Trade | has the meaning given to it in the applicable Error Trade Policy. |
| Error Trade Policy | means a policy on the treatment of Error Trades set out in a Product Appendix. |
| EUWA | means the European Union (Withdrawal) Act 2018. |
| Executable Quote | means a firm actionable quote sent through the RFQ Trading Protocol containing all necessary trading parameters which can be executed upon. |
| FCA | means the UK Financial Conduct Authority or its successors. |
| FCA Rules | means the FCA Handbook, Rules and Guidance and any other similar items in force from time to time. |
| Fill and Kill Order | means a Fill Order for which any part remaining unfilled after the Matching process shall be cancelled. |
| Fill and Store Order | means a Fill Order which shall be placed on the Order Book if and to the extent it or any part of it remains unfilled subsequent to the Matching process. Also known as a Limit Order. |
| Fill Order | means an Order which is to be submitted to the Matching process with Orders from the Order Book and shall be one of a Fill and Kill Order, a Fill and Store Order or a Fill or Kill Order. |
| Fill or Kill Order | means a Fill Order which shall not be capable of being Matched unless entirely filled and, if not entirely filled after the Matching process, shall be cancelled. |
| GFE | means the BrokerTec Global Front End interface for the CLOB. |
| Hidden Volume | means that part of an Order which is to replenish the Show Amount once the Show Amount has been filled but which otherwise will not be made available to the Matching process and/or displayed in the Order Book. |
| iLink | is a technology path by which client systems connect to and transact on BrokerTec. |
| Insolvency Event | where a Participant, Underlying Client or their respective parent companies (whether direct or indirect) or ultimate holding companies: <ol style="list-style-type: none"> 1. are unable or admit inability to pay their debts as they fall due, suspend making payments on any of their debts or, by reason of actual or anticipated financial difficulties, commence negotiations with one or more creditors with a view to rescheduling their indebtedness; or 2. have assets whose value is less than their liabilities; or 3. have a moratorium declared in respect of their indebtedness; or 4. are subject to any similar events or analogous proceedings in other relevant jurisdictions. |
| Kill Functionality | means the ability of either a Participant or an Operator to cancel unexecuted Orders. |
| Market | means a group of Eligible Instruments. |
| Market Maker Programme | has the meaning given to it in Rule 11.1. |
| Market Notice | means a notice published or issued by the Operator to Participants from time to time in accordance with the Rulebook. Market Notices form part of the Rulebook. |
| Mass Quotes | means a messaging type which may be used by authorized Participants to submit Orders on multiple Eligible Instruments simultaneously. |
| Match | means the match of a Bid with an Offer on BrokerTec in accordance with this Rulebook. |
| MiFID Rules | means MiFID II and MiFIR and their implementing legislation. |
| MiFID II | means Directive 2014/65/EU and its implementing legislation, or in the event of a No Deal Brexit, its implementing legislation as retained in UK law under the EUWA. |
| MiFIR | means Regulation (EU) No 600/2014, or in the event of a No Deal Brexit, Regulation (EU) No 600/2014 as retained in UK law under the EUWA, and amended under the Markets in Financial |

| | |
|-------------------------------------|---|
| | Instruments (Amendment) (EU Exit) Regulations 2018. |
| MMA | has the meaning given to it in Rule 11.3. |
| MTF | means a Multilateral Trading Facility as defined in article 4(1)(22) of MiFID II, or in the event of a No Deal Brexit, as defined in the FCA Rules. |
| No Deal Brexit | refers to the circumstances in which the United Kingdom will leave the European Union without a transitional arrangement having been ratified by the UK and EU authorities. |
| Offer | has the meaning given to it in any Product Appendix. |
| Operational Parameters Annex | means the BrokerTec EU MTF Operational Parameters Annex, setting out operational parameters that apply to trading on BrokerTec, as amended from time to time. The Operational Parameters Annex forms part of the Rulebook. |
| Operator | means BTEU in its capacity as the authorised provider of BrokerTec. |
| Order | means: <ol style="list-style-type: none"> 1. the information submitted by an Authorised User to the Order Book representing a Bid or Offer (which may be a Fill Order or a Store Order, in which case such term shall include any part thereof); and 2. an Executable Quote. |
| Order Book | means the log of Orders maintained by BrokerTec with which Orders shall be Matched. (Depending on the context, the Eligible Instrument and relevant trading model, such use of this definition may be referring to the CLOB). |
| Participant | means a person authorised by the Operator to participate on BrokerTec in accordance with the Rulebook and the Agreements. |
| Participant Access Code | means an access code granted to the Participant in accordance with the Agreements. |
| Participation | means a Participant's activity in any Market on BrokerTec. |
| Pre-Trade Controls | has the meaning given to it in Rule 9.5.1. |
| Product | means any product detailed in a Product Appendix. |
| Product Appendix | means any Appendix to the Rulebook in relation to a Product. Each Appendix forms part of the Rulebook. |
| Recipients | means a Participant who is enabled to receive RFQs or Executable Quotes through the RFQ Trading Protocol. |
| Regulatory Authority | means any domestic or foreign government (or political subdivision), governmental or regulatory authority, agency, court, commission or other governmental or regulatory entity with authority or jurisdiction over the trading of, or Participants engaged in the trading of, Products on BrokerTec. |
| Relevant Transaction | means a Transaction: <ol style="list-style-type: none"> 1. which is the subject of a Cancellation Request; or 2. which a Participant has claimed to be an Error Trade. |
| Reporting CDR | means Commission Delegated Regulation (EU) 2017/590, or in the event of a No Deal Brexit, Commission Delegated Regulation (EU) 2017/590 as retained in UK law under the EUWA. |
| Required Confirmations | has the meaning given to it in Rule 5.8. |
| RFQ | means request for quote, which is a trading enquiry message sent under the RFQ Trading Protocol. |
| RFQ Trading Protocol | means the trading protocol as described in Rule 9.3 of this Rulebook. |
| Rulebook | means this rulebook, including its Appendices as amended from time to time. The term "System Protocol" as may be referenced in the Agreements, where applicable, means this Rulebook. |
| Rules | means the rules set out in this Rulebook and the Operational Parameters Annex, each as may be amended from time to time. |
| Security | means those fixed income government securities and other cash securities issued from time to time by those governments, organisations, corporations or other entities, as the case may be, as set out in any Product Appendix or as notified by the Operator from time to time which are |

| | |
|--|---|
| | eligible to be traded on BrokerTec. |
| Show Amount | means that part of the Order which is to be immediately available to the Matching process and/or shown in the Order Book. |
| Store Order | 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. |
| System | means the term “System” as referenced in the Agreements, meaning the electronic trading system known as BrokerTec. |
| Trading Day | means the days on which BrokerTec is made available to Participants as set out in the applicable Product Appendix. |
| Trading Venue Organisational Requirements CDR | means Commission Delegated Regulation (EU) 2017/584, or in the event of a No Deal Brexit, Commission Delegated Regulation (EU) 2017/584 as retained in UK law under the EUWA. |
| Transaction | means a transaction executed on BrokerTec in accordance with this Rulebook. |
| Underlying Client | means, where a Participant acts as an investment manager, investment adviser or otherwise acts as an agent on behalf of an underlying fund or customer, the identity of which has been disclosed to the Operator, such underlying fund or customer. |
| Waiver | has the meaning given to it in Rule 20.2. |

All capitalised terms not otherwise defined in this Rulebook shall have the meaning ascribed to them in the Agreements. In this Rulebook, words in the singular include the plural and vice versa. A reference to persons in this Rulebook shall include a reference to legal persons and natural persons as the context requires. Headings are for ease of reference only and do not form part of the Rulebook. Reference to statutory provisions shall include any amendment, modification or re-enactment or re-making thereof.

2. General

21. BTEU operates BrokerTec on which Participants are permitted to trade with other Participants, in accordance with the terms of the Agreements, the Rulebook, the relevant Product Appendix and the Operational Parameters Annex.
22. Each Participant shall abide by the Rulebook at all times. The Rulebook supplements and forms part of the Agreements. In the event of conflict between the Agreements, the Rulebook, any Product Appendix, and the Operational Parameters Annex, the following order of precedence shall apply to the extent of any inconsistency: 1. the Operational Parameters Annex; 2. the applicable Product Appendix; 3. the Rulebook; and 4. the Agreements.
23. The Operator is not party to any Transaction. It provides BrokerTec to Participants for the sole purpose of allowing Participants to effect Transactions in Products and not for any other reason. The Operator is not subject to any fiduciary or equitable duties to any Participant.
24. Participants shall not permit or allow any third party individual or company (whether an Affiliate of the Participant or otherwise) to access BrokerTec, for example via Direct Electronic Access – unless authorised to do so by the Operator.

3. Participation

- 3.1. An Applicant may apply to become a Participant of BrokerTec at any time.
- 3.2. Participation is open to Applicants who meet the Eligibility Criteria.
- 3.3. A Participant must satisfy the Eligibility Criteria at all times. If a Participant ceases to satisfy one or more of the Eligibility Criteria at any time, it must immediately inform the Operator.
- 3.4. The Operator may require the Participant to demonstrate that the Eligibility Criteria are met at any time.
- 3.5. The Operator may approve or reject applications or approve an application subject to such conditions and/or restrictions as it considers appropriate, subject to the requirement that the Operator assesses such applications in an objective and non-discriminatory manner.
- 3.6. The Operator shall notify the Applicant of its decision in writing (including by email) with Participation becoming effective on such date and at such time as Operator may specify.
- 3.7. Where an application is approved, Participants will be permissioned to participate on BrokerTec as detailed in the notice given in accordance with Rule 3.6.
- 3.8. The Participant authorises the Operator to disclose its Participation to other Participants where required for the orderly operation of BrokerTec and to the FCA.

4. Eligibility

- 4.1. BrokerTec shall only be accessible to Participants who:
 - 4.1.1. satisfy the Operator's internal client on-boarding requirements, including committing to and remaining in compliance with the Agreements and this Rulebook, and be classified by the Operator as an Eligible Counterparty or Professional Client (each as defined in the FCA Rules), unless otherwise detailed in any relevant Product Appendix;
 - 4.1.2. are investment firms or credit institutions (each as defined in the FCA Rules) or other persons who:
 - (a) are of sufficiently good repute;

(b) have a sufficient level of trading ability, competence and experience; and

(c) have sufficient resources for their role as a Participant.

4.1.3. have the legal and regulatory capacity to undertake trading in the relevant Market on an MTF;

4.1.4. comply with the Operational Parameters Annex;

4.1.5. satisfy the Operator as to their adequate arrangements for entering into Transactions, order management, clearing (if relevant) and settlement of all Orders submitted to BrokerTec;

4.1.6. have adequate organisational procedures and controls to limit Error Trades and the submission of erroneous Orders to BrokerTec, including, but not limited to, the operation of a Kill Functionality;

4.1.7. meet the technical specifications and standards required by the Operator for Participation on BrokerTec, including for those Participants accessing BrokerTec via an application programming interface, the CME Globex iLink documents available at <https://support.brokertec.com>; and

4.1.8. satisfy any Eligibility Criteria set out in any Product Appendix.

4.2. The Operator shall undertake a due diligence assessment of each prospective Participant prior to being admitted as a Participant on BrokerTec. The due diligence procedures are set out in the Operational Parameters Annex on the Operator's website.

4.3. The Operator shall perform an annual risk-based assessment of the compliance by Participants with the conditions for access to BrokerTec. Where necessary, the Operator shall undertake additional assessments of Participants' compliance with the conditions for access to BrokerTec. Participants shall be required to provide assistance to the Operator in conducting these assessments.

5. Participant obligations

5.1. The Participant shall at all times ensure its continuing compliance with this Rulebook.

5.2. The Participant shall at all times submit Orders for its own behalf so that it enters into Transactions:

5.2.1. on the CLOB: as principal only; and

5.2.2. using the RFQ Trading Protocol: as principal or as agent (subject to Rule 5.3).

5.3. For Participants acting as agent on behalf of one or more Underlying Clients, those Participants must ensure, on a continuing basis, that:

5.3.1. the Underlying Client(s) have adequate resources over which the Participant has authority, to enter into and perform any such Transaction which the Participant decides to undertake on their behalf;

5.3.2. any Transactions entered into on BrokerTec are valid and binding obligations enforceable against those Underlying Client(s) in accordance with this Rulebook, subject to bankruptcy or other Applicable Laws;

5.3.3. where the Participant's use of BrokerTec is for the benefit and account of its Underlying Client(s), that Participant must have been given authority from such Underlying Client to use BrokerTec for their benefit and account;

5.3.4. any claim by the Underlying Client(s) against the Operator, its Affiliates, agents or subcontractors is subject to the limitations of liability in the Agreements, and any such claim will be treated as if it

were made by the Participant;

- 5.3.5. the Participant has no reason to believe that its Underlying Client(s) will not be able to meet, or in the foreseeable future will not be able to meet, any settlement or payment obligations or is likely to suffer an Insolvency Event;
 - 5.3.6. they are able to provide any information pertaining to the Underlying Client which the Operator reasonably requires to meet its obligations under these Rules;
 - 5.3.7. the Participant has obtained and recorded evidence of the identity of its Underlying Client(s) in accordance with Applicable Laws and regulations (including, without limitation, anti-money laundering regulations); and
 - 5.3.8. in the event of a Default Event by any of the Participant's Underlying Clients, or the failure of the Participant's Underlying Clients to meet any of their material obligations, the relevant Participant will provide the Operator with the full name, registered office and contact details of the relevant Underlying Client and take all other steps as the Operator may reasonably (acting in good faith) require in order that the Operator might take such steps as are necessary, including but not limited to instituting legal proceedings against the Underlying Client, to minimise the Operator's exposure and/or redress any loss or damage the Operator may have suffered.
- 5.4. The Participant shall notify to the Operator in writing the names of its Authorised Users and the Products that they are permitted to trade. The Participant must maintain a list of all Authorised Users, which must be produced by the Participant immediately on request from the Operator. The Participant is solely responsible for notifying Operator on an ongoing basis of any changes to their Authorised Users. The Participant shall adopt an appropriate designation to identify all Authorised Users which complies with the requirements of the Reporting CDR and inform the Operator of such designation.
- 5.5. In respect of its Participation, the Participant shall be responsible for all the acts, omissions, conduct and activity of its Authorised Users.
- 5.6. The Participant shall ensure its Authorised Users have sufficient training, are adequately supervised and have adequate experience, knowledge, competence and qualifications to participate on BrokerTec in accordance with the Rules.
- 5.7. The Participant must provide to the Operator (if requested) such information as the Operator may require in relation to the validity of any Order or Transaction.
- 5.8. Where an Authorised User submits an Order to BrokerTec, the Participant represents and warrants that the statements set out in the Rules below (the "**Required Confirmations**") are true and accurate:
- 5.8.1. it understands and accepts the Pre-Trade Controls in place; and
 - 5.8.2. it is able to cancel immediately, as an emergency measure, any or all of its unexecuted Orders by means of its Kill Functionality.
- 5.9. The Operator may request evidence to confirm that any of the confirmations at Rules 5.8.1 - 5.8.2 remain true and accurate.
- 5.10. The Participant is responsible for complying with any security measures and procedures for authentication requested by Operator from time to time and ensuring that only Authorised Users have access to BrokerTec.
- 5.11. The Participant must remain in compliance with all Applicable Law and regulations (including, without limitation, any FCA Rules or MiFID Rules that apply).
- 5.12. The Participant shall co-operate with the Operator, the FCA, and any other relevant Regulatory Authority during any investigation that is conducted in relation to its access to and trading on BrokerTec. Such co-operation shall include

providing access to information, documents, and any other reasonable request within the control of the Participant, save to the extent the Participant may be restricted in doing so by the Applicable Law.

- 5.13. The Participant shall bear its own costs and expenses in connection with any investigation. The Participant shall indemnify the Operator in full in respect of all costs and expenses reasonably incurred in connection with any investigation in so far as those costs relate to an investigation or any part of an investigation which relates to the Participant's activity on BrokerTec except to the extent that any such costs arise as a consequence of the fraud, negligence or willful default of the Operator.
- 5.14. The Participant shall ensure that the business clocks used to record the date and time of any Transaction operate in accordance with the level of accuracy specified in Table 2 of the Annex to the Business Clocks CDR. Such details are set out in the Operational Parameters Annex, available on the Operator's website.

6. Conduct rules

- 6.1. The Participant shall not:
- 6.1.1. engage in any conduct which gives or is likely to give a false or misleading impression as to the market in, or the price of, any Product or which secures the price of one or several Products at an abnormal or artificial level;
 - 6.1.2. engage in any act or course of conduct which is likely to harm the integrity, fairness, orderliness or reputation of BrokerTec;
 - 6.1.3. breach or attempt to breach these Rules or cause or contribute to a breach of these Rules by another Participant; or
 - 6.1.4. submit Orders or enter into Transactions on BrokerTec which are fictitious, or constitute any other form of deception or contrivance.
- 6.2. Any breaches of the Rules by the Participant shall be dealt with in accordance with the Agreements, these Rules and the Applicable Law. A material breach of these Rules shall constitute a material breach of the Electronic Broking Master Participant Trading Agreement. Prior to taking any action in consequence of a breach of the Rules by the Participant, the Operator may, in its absolute discretion, give that Participant a period of one month in which to rectify the breach (the "**Rectification Period**"). If, in the Operator's opinion, the breach is not rectified by the end of the Rectification Period, the actions that the Operator may take in consequence of a breach of these Rules or disruptive behaviour include, but are not limited to:
- 6.2.1. formal written notification of contravention of this Rulebook;
 - 6.2.2. restriction of specific Order types;
 - 6.2.3. impose systematic enforcements, such as a minimum quote life, or throttling of Orders;
 - 6.2.4. suspension from specific Products; and
 - 6.2.5. suspension from BrokerTec, in accordance with Rule 14.

7. Trading days

- 7.1. The Trading Days for each of the Markets are set out in each Product Appendix. Notwithstanding anything to the contrary, unless otherwise notified by the Operator, BrokerTec is closed for trading on New Year's Day, Good Friday, Easter Monday, Christmas Day and Boxing Day and all United Kingdom weekends.

- 7.2. BrokerTec shall be open for trading at the times set out in the relevant Product Appendix.
- 7.3. The Operator shall, in its sole discretion, determine the Trading Days and hours for the Markets. Trading is not permitted outside the Trading Day and hours.
- 7.4. The Operator may announce, at its discretion, that commencement of the Trading Day be postponed, or that a Trading Day be extended beyond its scheduled duration.
- 7.5. Where possible, the Participant shall be given reasonable notice of any change to Trading Days.

8. Products

- 8.1. The Operator shall determine and amend, in its sole discretion, the Products that are available for trading on BrokerTec. In order for a Product to be traded on BrokerTec:
 - 8.1.1. that Product must have an International Securities Identification Number (ISO 6166) issued by an organisation, agency or National Numbering Agency that is recognised by the Association of National Numbering Agencies;
 - 8.1.2. that Product must have been issued by the relevant government authority that makes the relevant Product available for trading; and
 - 8.1.3. there must be genuine interest for the new Product to be made available on BrokerTec by Participants that represent a significant proportion of the liquidity of Products traded on BrokerTec.
- 8.2. The Operator shall consult with Participants prior to the addition, amendment or removal of a Product on BrokerTec. Any additional Rules with respect to Products are set out in the relevant Product Appendix.

9. Trading rules

9.1. Authorisation

- 9.1.1. Provided that an Authorised User is permitted by the Participant and the Operator to trade in a Market, the Participant shall have the right to submit Orders in accordance with these Rules. In respect of each Order submitted through its Participant Access Code, the Participant represents that it has due capacity to settle any Transaction arising out of that Order.
- 9.1.2. For each Order submitted to BrokerTec through its Participant Access Code, the Participant authorises the Operator to display (where applicable) and/or Match such Order on BrokerTec in accordance with this Rulebook and the relevant Product Appendix.

9.2. Orders

- 9.2.1. The Participant shall be bound by all Orders or commands and/or other input information received from its Authorised Users. The Participant shall only submit Orders to BrokerTec with the intention to enter into Transactions.
- 9.2.2. All Orders submitted to the Order Book (and, where applicable, shown on the Order Book) are firm and available to be Matched and therefore, when Matched, a binding Transaction is immediately formed between the counterparties.
- 9.2.3. Save as otherwise described in the Rules, any Order that has been submitted to BrokerTec may at any time be amended or withdrawn prior to being Matched. Where permitted by these Rules to do

so, Authorised User(s) must remove their Orders from BrokerTec immediately if they are no longer available for execution.

- 9.2.4. Any Order not filled at the close of a Trading Day shall be automatically cancelled.
- 9.2.5. Where any Eligible Instrument is suspended by the Operator in accordance with this Rulebook, Central Counterparty rules or the Agreements, Orders in those Eligible Instruments may be capable of deletion and/or amendment, but otherwise shall be inactive. On the relevant Eligible Instrument, as the case may be, being readmitted to trading on BrokerTec, any Order relating to the relevant Eligible Instrument may be reactivated by the Participant; any Order not reactivated shall be cancelled at the end of that Trading Day.
- 9.2.6. On the CLOB, Cancel On Disconnect (“COD”) monitors the iLink system for involuntary lost connections between iLink user Participants and BrokerTec. If a lost connection is detected, COD cancels all resting Orders for the disconnected registered iLink Participant. It is the Participant’s responsibility to re-enter all orders that have been cancelled by COD. COD is not invoked for a graceful disconnect – a voluntary log out performed by the Participant’s system which executes the full logging out process. This involves the successful completion of each of the following steps prior to termination of the connection:
- (a) Participant’s system sends logout request;
 - (b) BrokerTec sends logout confirmation; and
 - (c) Participant’s system receives logout confirmation.
- 9.2.7. On the BrokerTec GFE, Orders that are cancelled by the COD functionality will show up as “inactive” and the Participant may decide to reactivate them on successful reconnection.
- 9.2.8. Any Order which has been Matched on BrokerTec (whether or not executed as a Transaction at that time) prior to an amendment, withdrawal or inactivation, as the case may be, becoming effective shall not be amended, withdrawn and/or placed inactive and the Participant submitting that Order shall be obligated to settle the Transaction (if any) arising out of that Order.

9.3. **RFQ Trading Protocol**

- 9.3.1. The RFQ Trading Protocol forms a distinct market from the CLOB and is allocated the segment MIC reference BTQG.
- 9.3.2. To initiate an RFQ session, Participants can send to Recipients either an RFQ or an Executable Quote.
- 9.3.3. Acceptance of an Executable Quote results in a binding Transaction with matching priority accorded on a time basis.
- 9.3.4. Recipients respond to RFQs through the submission of Executable Quotes. Recipients may specify the duration of each Executable Quote. Acceptance of an Executable Quote results in a binding Transaction.
- 9.3.5. Upon expiry of an RFQ session all Executable Quotes are automatically withdrawn and are unavailable for Matching.
- 9.3.6. At any time during Trading Hours, a Participant can initiate an RFQ session in any Eligible Instrument made available through the RFQ Trading Protocol as detailed in a Product Appendix.

- 9.3.7. Participants can set, within the parameters defined by the Operator, the duration of the RFQ session, Recipient count, Eligible Instrument type and settlement methodology in accordance with Rule 9.3.8.
- 9.3.8. As long as in accordance with settlement requirements and eligibility, RFQs can be executed Bilaterally or Cleared as requested by the Participant initiating an RFQ session.
- 9.3.9. Any Participant can initiate an RFQ session, and each Participant can initiate multiple simultaneous RFQ sessions.

9.4. **Anonymity**

- 9.4.1. Save as otherwise described in these Rules, once submitted, an Order on the CLOB shall be displayed to other Participants anonymously.
- 9.4.2. For Bilateral Markets on the CLOB, the name of a Participant's counterparty shall be disclosed after execution of the Transaction, in order to allow settlement of the Transaction to occur.
- 9.4.3. Trading via the RFQ Trading Protocol is on a disclosed basis, such that the names of Recipients are displayed pre-trade to the Participant initiating an RFQ session.

9.5. **Pre-Trade Controls**

- 9.5.1. The Operator shall automatically reject orders which exceed pre-determined volume and price thresholds or are clearly erroneous ("**Pre-Trade Controls**"). The Pre-Trade Controls include, but are not limited to:
 - (a) price collars, which block Orders which do not meet pre-set price parameters set by the Operator;
 - (b) controls on maximum order value which block Orders with uncommonly large order value by reference to notional values per financial instrument set by the Operator; and
 - (c) controls on maximum order volume which block orders with an uncommonly large order size.
- 9.5.2. The Operator may also set minimum order volumes, details of which are set out in the relevant Product Appendix.
- 9.5.3. Further detail relating to the Pre-Trade Controls is set out in the Operational Parameters Annex, which is available on the Operator's website. The Operator may decide, in its absolute discretion, to change the operation of such controls.
- 9.5.4. If an Order appears to be erroneous in the opinion of the Operator, the Operator may contact the Participant to verify its validity.
- 9.5.5. The Operator may use the Kill Functionality, under the following conditions:
 - (a) upon request of a Participant, where the Participant is technically unable to delete its own orders; or
 - (b) where the Order Book contains erroneous duplicated Orders; or
 - (c) following a suspension of trading on BrokerTec initiated by either the Operator or the FCA; or
 - (d) for any other reason, as determined by the Operator in its absolute discretion from time to time.
- 9.5.6. The Operator shall ensure that when exercising its Kill Functionality in accordance with this Rule, it

acts in accordance with the Operational Parameters Annex.

9.6. **Management of Disorderly Trading Conditions**

9.6.1. In order to manage any Disorderly Trading Conditions, the Operator may:

- (a) slow down the flow of Orders where there is a risk of its system capacity being reached; and
- (b) place limits on the ratio of the number of unexecuted Orders to the number of Transactions by a Participant.

9.6.2. The Operator provides further details on the controls referred to at Rule 9.6.1 above in the Operational Parameters Annex, available on the Operator's website. The Operator may decide, in its absolute discretion, to change the operation of such controls.

9.7. **Order Matching**

9.7.1. Unless otherwise specified in these Rules or a Product Appendix, Orders shown on the Central Limit Order Book will be Matched using the following criteria in order of precedence:

- (a) price; and
- (b) time (based on the time stamped on an Order when it is shown on the Central Limit Order Book).

9.8. **Prohibition, Removal and Suspension of Trading**

9.8.1. The Operator shall monitor the operation of BrokerTec during the Trading Day in order to identify:

- (a) infringements of this Rulebook or any Applicable Law;
- (b) manipulation, price distortion or any other form of market abuse;
- (c) system disruptions in relation to a financial instrument; and
- (d) Disorderly Trading Conditions.

9.8.2. The Operator may:

- (a) suspend or remove from trading a Product (and where necessary any derivatives referencing a Product) which no longer complies with these Rules, unless such suspension or removal would be likely to cause significant damage to the interests of Participants or the orderly functioning of the market;
- (b) suspend or remove from trading a Product (and where necessary any derivatives referencing a Product) immediately on receiving a request to do so by the FCA;
- (c) temporarily halt or constrain trading if there is a significant price movement in a Product on BrokerTec or a related market during a short period; and
- (d) adjust, wind down, or shut down BrokerTec or take any other appropriate action necessary in the sole discretion of the Operator in the event of a threat to the capacity of BrokerTec to perform its functions without system failures, outages or errors in matching transactions.

9.8.3. Any decision by the Operator in accordance with Rule 9.8.2 to suspend or remove any Product (and any derivatives referencing a Product) shall be made public on the Operator's website and shall be communicated to the FCA.

9.8.4. The Operator may take such action for any reason permitted under the Applicable Law, including

but not limited to, maintaining fair and orderly trading on BrokerTec or due to material technical or operational issues.

- 9.8.5. Whilst access to or trading on BrokerTec is suspended for all Participants, no further Orders can be submitted.
- 9.8.6. Trading shall recommence in accordance with these Rules, once the Operator determines that the suspension shall be lifted.
- 9.8.7. The Operator shall notify the Participant upon any prohibition, removal or suspension pursuant to Rule 9.8.2, and in respect of suspension of BrokerTec, will to the extent practicable and/or required by the Applicable Law and regulation, keep Participants informed regarding its availability.
- 9.8.8. If the Operator takes any action permitted under this Rule, all Orders will be placed inactive, in that such Orders will not be made available for Matching (nor, where applicable, shown in the Order Book). If trading recommences within the same Trading Day as the relevant suspension or termination occurred, the Participant or the relevant Authorised User (as the case may be) may reactivate all, or some, of its Orders. Any Order not reactivated shall be cancelled at the end of that Trading Day.

10. Credit setting and restrictions

- 10.1. Credit setting or restrictions applicable on BrokerTec are detailed in the applicable Product Appendix.
- 10.2. The Participant is solely responsible for determining its credit settings, and/or restrictions, where applicable.
- 10.3. Where BrokerTec functionality provides for the Participant to input its credit settings directly into the System, the Participant is solely responsible for ensuring its settings are up to date.
- 10.4. In all other instances, the Participant is responsible for notifying the Operator of any applicable settings or restrictions. The notified settings or restrictions shall only take effect upon confirmation from the Operator that they have been implemented.
- 10.5. A Participant (the “**First Participant**”) agrees that the Operator may, on request by another Participant (the “**Second Participant**”), disclose the status (“blocked” or “not blocked”) of the credit allocated to the Second Participant by the First Participant.

11. Market maker programmes

- 11.1. The Operator may from time to time adopt one or more programmes under which one or more Participants may be approved and designated as market makers with respect to one or more Products in order to provide liquidity and orderliness in a Market or Product (a “**Market Maker Programme**”).
- 11.2. Any Market Maker Programme adopted pursuant to Rule 11.1 may provide for one or more of the following:
 - 11.2.1. any additional Eligibility Criteria or other qualifications, including any minimum net capital requirements, that any such market maker must satisfy;
 - 11.2.2. the procedure by which Participants may apply for, and obtain, designation as a market maker;
 - 11.2.3. the ongoing obligations of such market makers, including without limitation, any applicable minimum Bid and Offer commitments;

- 11.2.4. the benefits accruing to such market makers, which may include reduced transaction fees; and
 - 11.2.5. the requirement that such designated market makers agree to abide by these Rules and the rules of the Market Maker Programme.
- 11.3. In accordance with article 17(3) of MiFID II, a Participant pursuing a “market making strategy” by way of algorithmic trading on BrokerTec will be deemed to have accepted the terms of the “Market Making Agreement between BrokerTec Europe Limited and Market Makers on the BrokerTec EU MTF” that is available on the Operator’s website (the “MMA”), where (in accordance with article 1 (1) of the Market Making CDR), during half the Trading Days over a one month period, in execution of its market making strategy, they:
- 11.3.1. post Firm, Simultaneous Two-Way Quotes of Comparable Size and Competitive Prices; and
 - 11.3.2. deal on their own account in at least one Instrument for at least 50% of the daily trading hours of continuous trading on BrokerTec, excluding opening and closing auctions.
- 11.4. Capitalised terms used in Rule 11.3 that are not otherwise defined in this Rulebook have the meaning given to them in the MMA (and for the purposes of Rule 11.3, to the extent of any inconsistency between the terms of the MMA and this Rulebook, the terms of the MMA shall prevail).

12. Fees

- 12.1. The fees applicable to the Participant’s access to and Participation on BrokerTec are set out in the BrokerTec Fee Schedule as amended from time to time.
- 12.2. In accordance with the Agreements, the Participant is solely responsible for the payment of any fees applicable to its Participation on BrokerTec. Participants are liable for the payment of any applicable taxes, fees, duties, or levies that arise in connection with its Participation on BrokerTec. All fees are payable by the Participant in full without deduction, withholding, set-off or counterclaim for any reason whatsoever, whether arising in contract, tort (including negligence), breach of statutory duty or otherwise, save as may be required by the Applicable Law.

13. Notification

- 13.1. The Participant shall notify the Operator within the timeframes specified below on the occurrence of any of the following:
- 13.1.1. a change of legal name or contact details – at least five (5) Business Days in advance of any change taking effect;
 - 13.1.2. a change of the legal entity which is the Participant – at least thirty (30) Business Days in advance of any change taking effect;
 - 13.1.3. an Insolvency Event – immediately upon becoming aware;
 - 13.1.4. the Participant (i) is or is likely to become unable to meet its obligations in respect of an Order or Transaction or (ii) breaches or is likely to breach a law applicable to its business as a Participant – in each case, immediately upon becoming aware;
 - 13.1.5. the Participant defaults or is likely to default (or become subject to an analogous event) under the rules of any Central Counterparty which clears the Participant’s Transactions – immediately upon becoming aware;
 - 13.1.6. a material breach of these Rules or any event which affects the Participant’s ability to comply with

these Rules - immediately upon becoming aware;

- 13.1.7. a change in the Participant's ability to meet the Eligibility Criteria - immediately upon becoming aware;
- 13.1.8. a loss of connectivity, or other technical issue which might affect the Participant's ability to comply with these Rules or its access to BrokerTec - immediately upon becoming aware; or
- 13.1.9. any other change or event which might reasonably impact on the Participant's access or activity in relation to BrokerTec - immediately upon becoming aware.

14. Suspension or termination of participation

- 14.1. The Operator may at its absolute discretion and without liability restrict, suspend or terminate the Participation of a Participant (and/or its Authorised Users) if, at any time:
 - 14.1.1. the Participant itself, a CCP, a Clearing Member or the FCA request that the Participant be restricted, suspended or terminated;
 - 14.1.2. the Participant and/or any of its Authorised Users breaches these Rules or the Agreements;
 - 14.1.3. the Participant suffers an Insolvency Event;
 - 14.1.4. the Participant suffers a Default Event;
 - 14.1.5. the Participant is subject to relevant enforcement or other proceedings by the FCA or any other Regulatory Authority;
 - 14.1.6. the Participant ceases to meet the Eligibility Criteria; or
 - 14.1.7. in any other circumstances where Operator considers that restriction, suspension or termination is necessary to ensure or maintain orderly trading on BrokerTec.
- 14.2. The Operator shall notify the Participant of a decision to restrict, suspend or terminate its or an Authorised User's Participation.

15. Resignation

- 15.1. Where a Participant has given notice of its intent to resign from Participation on BrokerTec, the resignation is not effective and the Rules shall continue to bind the Participant until:
 - 15.1.1. all of the Participant's outstanding Orders have been Matched, cancelled or withdrawn;
 - 15.1.2. all outstanding obligations of the Participant with respect to Transactions (including with respect to clearing and settlement) have been performed; and
 - 15.1.3. all other outstanding obligations of the Participant under the Rules (including without limitation the settlement of any outstanding fees or other sums due) have been performed.

16. Consequences of suspension, termination, resignation

- 16.1. In the event of a Participant's (or an Authorised User's) suspension, termination or resignation:
- 16.1.1. all Orders in respect of that Participant and/or its Authorised User, as the case may be, will be placed inactive and will not be made available for Matching (nor, where applicable, shown in the Order Book);
 - 16.1.2. all Transactions continue to be binding on the Participant, the terms of which are unaffected by such suspension, termination or resignation;
 - 16.1.3. any Participant Access Codes attributed to the Participant and/or Authorised Users shall be disabled and access removed; and
 - 16.1.4. in the event of a termination, the Participant and each of its Authorised Users shall immediately cease to access BrokerTec and remove, return or otherwise destroy any connections to BrokerTec.

17. Trade cancellation and error trades

- 17.1. The Operator, in its absolute discretion, may cancel or reverse, or require any Participant to cancel or reverse, any Transaction, including without limitation, where:
- 17.1.1. The Operator considers that the Transaction:
 - (a) be contrary to Applicable Law and market conventions;
 - (b) be prejudicial to fair and orderly trading on BrokerTec;
 - (c) be a breach of, or contrary to, the Agreements or the Rulebook;
 - (d) be indicative of market or system abuse or misuse;
 - (e) give a false or misleading impression to the market or any section of it;
 - (f) contribute to Disorderly Trading Conditions; or
 - (g) be the result of a significant price movement in a Product traded on BrokerTec or a related market during a short period.
 - 17.1.2. In the case of a Cleared Market, the relevant Central Counterparty rejects the Transaction for clearing;
 - 17.1.3. BrokerTec's mechanisms to manage Disorderly Trading Conditions or key operational functions malfunction; or
 - 17.1.4. There is a significant price movement in a Product traded on BrokerTec or a related market during a short period.

Error Trades

- 17.2. All Transactions which a Participant claims to be an Error Trade shall be treated in accordance with the applicable Error Trade Policy.

Cancellation Requests

- 17.3. The following Rules apply to requests for cancelling a Transaction which is not determined to be an Error Trade under the applicable Error Trade Policy.
- 17.4. A Participant (the “**Requesting Participant**”) shall notify the Operator of a request (a “**Cancellation Request**”) to cancel, reverse or revise the terms of a Relevant Transaction as soon as reasonably practicable after the time of execution of the Relevant Transaction.
- 17.5. After receiving the Cancellation Request the Operator may, provided that the Cancellation Request is consistent with the Operator’s obligations to maintain an orderly market on BrokerTec, promptly inform the counterparty to the Relevant Transaction (the “**Other Participant**”) that the Relevant Transaction is subject to a Cancellation Request.
- 17.6. If the Other Participant confirms promptly to the Operator that it agrees with the Cancellation Request, the request shall be treated as a bilateral cancellation of the Relevant Transaction.
- 17.7. A Requesting Participant acknowledges and agrees that the cancellation of any Transaction is subject to the Other Participant agreeing with the Cancellation Request and, in the event that the Other Participant does not agree, the Requesting Participant shall be bound by the terms of the Relevant Transaction.
- 17.8. A Participant who agrees to a bilateral cancellation of a Transaction shall promptly notify the Operator and take all such action required to effect the cancellation of the Transaction.

General

- 17.9. The Participant agrees to take such action as the Operator requires to put into effect any such Transaction(s) or cancellations or revisions thereof and shall be responsible, and hold the Operator harmless, for all costs incurred by the Operator in so doing. Failure by any Participant to comply with any instruction from the Operator to cancel, revise or reverse a Transaction or Relevant Transaction is a material breach of this Rulebook and the Agreements.
- 17.10. Where a cancellation or revision is to occur, the Operator shall effect appropriate Transaction(s) on BrokerTec and transmit the same to the relevant Participants and shall notify the relevant Authorised Users as appropriate.
- 17.11. In any Bilateral Market, counterparties to a Transaction who bilaterally determine to cancel such Transaction, shall notify the Operator of such cancellation.
- 17.12. In the event of a dispute with respect to the fair settlement of a cancellation, reversal or revision of a Relevant Transaction, the Operator reserves the right to disclose the names of the underlying counterparties to the Relevant Transaction in order to resolve such dispute (such disclosure may occur either before or after following the procedures outlined in any applicable Error Trade Policy and whether or not the counterparties to any Transaction have agreed to its cancellation).
- 17.13. If a Participant disagrees with the outcome of the dispute resolution procedure under Rule 17.12, the Participant may submit a complaint pursuant to Rule 26.

18. Trade capture and confirmation

- 18.1. Authorised Users shall immediately be notified of any Orders Matched on BrokerTec.
- 18.2. Participants must notify the Operator immediately upon receipt if they are not in agreement with any Trade details.

19. Clearing and settlement

- 19.1. Clearing and settlement requirements and arrangements vary according to the Market or Product traded on BrokerTec. Any additional Rules applicable shall be detailed in the relevant Product Appendix.

19.2 Cleared Markets

- 19.2.1. The Participant is solely responsible for the clearing (where relevant) and settlement of all Transactions executed via BrokerTec. Accordingly, for all Cleared Markets the Participant is solely responsible for putting in place the required clearing and settlement arrangements (either directly or through a sponsored clearing arrangement).
- 19.2.2. The Participant acknowledges the role of the applicable Central Counterparty in a Cleared Market and agrees that all Transactions in Cleared Markets shall be executed and settled as described in this Rulebook, the applicable Product Appendix and the relevant Central Counterparty's rules. The Participant further agrees that the Operator may carry out any action in any Cleared Market with the relevant Central Counterparty to facilitate the operation of BrokerTec in accordance with the provisions of the Agreements, the Rulebook and the Central Counterparty's rules.
- 19.2.3. In any Cleared Market, the Participant agrees to abide by and comply with all the relevant Central Counterparty's rules in relation to trading in Securities, including, where applicable, the provision of margin and the provision of such monies and/or securities to the Central Counterparty in due time to permit settlement.
- 19.2.4. The Participant acknowledges and agrees that its access and use of BrokerTec, including submitting Orders and undertaking Transactions arising therefrom, is conditional on its, or its Clearing Member's (where applicable), compliance with the relevant Central Counterparty's rules and their acceptance by the Central Counterparty for clearing and settling Transactions of the type contemplated herein.
- 19.2.5. With respect to Cleared Markets, all Transactions shall be settled solely through the relevant Central Counterparty in accordance with its rules and the Participant acknowledges and agrees that it may not make alternative settlement arrangements in respect of any Security or Transaction. The Participant expressly authorises the Operator to undertake such action to facilitate such settlement and agrees to carry out all action required to enable such settlement to occur in accordance with this Rulebook, the applicable Product Appendix and the Central Counterparty's rules, which may include establishing appropriate communications links with the Central Counterparty and providing requisite settlement details.
- 19.2.6. With respect to Cleared Markets, the Operator shall submit details of a Participant's Transactions to the relevant Central Counterparty. Unless otherwise specified within the relevant Product Appendix, the Operator shall undertake this action on the Participant's behalf, using the Participant's identifier or that of its third party clearer.
- 19.2.7. With respect to a sponsored clearing arrangement, the Participant is solely responsible for ensuring the acceptance or rejection of Transactions for clearing by the sponsoring Clearing Member and adhering to the Central Counterparty's intra-day cut off times as set out in their operational procedures (as amended from time to time). In the event that the Transaction is not accepted by the sponsoring Clearing Member or Central Counterparty, the Transaction shall be void ab initio. In the event that the Operator cancels or reverses a Transaction, and that cancellation or reversal is rejected by the Central Counterparty, the Participants shall liaise with the Central Counterparty to resolve the issue.

19.3 Bilateral Markets

- 19.3.1. Each Transaction shall be settled solely on a bilateral basis between the counterparties to a Transaction.
- 19.3.2. On the CLOB, the Participant expressly authorises the Operator to undertake action to facilitate

such settlement and agrees to carry out all action required to enable settlement to occur in accordance with this Rulebook and the applicable Product Appendix. This may include entering into appropriate arrangements to enable settlement in the relevant Bilateral Market, establishing appropriate communications links and providing requisite settlement details.

19.3.3. Under the RFQ Trading Protocol, it is the Participants' responsibility to instruct for settlement.

19.3.4. The Operator shall provide each Participant counterparty with details of any Transaction and the details of the other Participant counterparty to allow bilateral settlement to occur. Where applicable and where authorised by a Participant, the Operator shall send settlement instructions to a Participant's custodian or settlement bank(s) (and/or central depository, where relevant) on the Participant's behalf. Participants should contact the BrokerTec market control desk for more information.

19.3.5. The Participant agrees that all Transactions shall be executed and settled as described in this Rulebook and the applicable Product Appendix, and if applicable, the relevant agreement in place between the counterparties.

19.3.6. Where applicable, the Participant shall provide such margin and monies and/or securities in due time to permit settlement of a Transaction. The Participant acknowledges role of Operator and agrees that the Operator shall not in any event have any liability to settle a Transaction.

20. Pre and post trade transparency

20.1. The Operator shall, in accordance with applicable regulatory rules, make public, on reasonable commercial terms to non-Participants, on a continuous basis, both information about the Order Book and, as close to real time as it is reasonably able so to do, information about the price, volume and time of Transactions. For the avoidance of doubt, this does not restrict any rights granted to the Operator by the Participant in the Agreements.

20.2. Notwithstanding Rule 20.1, under certain conditions, the FCA may grant a trading venue permission not to make public current Bid and Offer prices for any Product and the depth of trading interest at those prices (a "**Waiver**") or the time, price, volume and venue of executed Transactions (a "**Deferral**"). The Operator will notify Participants of any such Waiver or Deferral obtained from the FCA via the Operational Parameters Annex.

21. Transaction reporting

21.1. Participants subject to the transaction reporting obligation under MiFIR are responsible for transaction reporting in accordance with the Reporting CDR.

21.2. Where a Participant is not subject to the transaction reporting obligation under Article 26 MiFIR, the Operator is required to report details of Transactions executed on BrokerTec. Participants must provide such information as is set out in the Reporting CDR to the Operator, in order that the Operator can comply with such requirements. Details of the relevant information are also set out in the Operational Parameters Annex, available on the Operator's website.

22. Telephone recording

22.1. The Operator may record conversations and retain copies of electronic communications between officers, employees or agents of the Operator and the Participant or any Authorised User. A copy of the recordings of such conversations and communications are available upon request for a period of five (5) years (and, where requested by the FCA, for a period of up to seven (7) years).

23. Algorithmic trading

- 23.1. Each Participant shall carry out the appropriate testing of algorithms to ensure that algorithms used to access BrokerTec cannot create or contribute to Disorderly Trading Conditions on BrokerTec.
- 23.2. A Participant must undertake Certification Tests to ensure that the basic functioning of the Participant's trading system, algorithms and strategy complies with these Rules prior to the deployment, or substantial update of:
- 23.2.1. the access to BrokerTec; or
 - 23.2.2. the Participant's trading system, trading algorithm or trading strategy.
- 23.3. BrokerTec provides a testing environment for Participants and prospective Participants, which must be used. The testing environment provided by the Operator is accessed through the CME New Release (NR) Environment made available to Participants by contacting the BrokerTec Market Support Team. The certification testing environment is available to Participants between the hours of 00:00 Monday through to 22:00 Friday London time. Participants shall use the testing environment in accordance with the Operational Parameters Annex.
- 23.4. Participants shall certify to the Operator in advance of deployment that the algorithms they deploy have been tested to avoid contributing to or creating Disorderly Trading Conditions prior to the deployment or substantial update of a trading algorithm or strategy and explain the means used for that testing.
- 23.5. BrokerTec shall deliver a report of the results of the Certification Tests to the actual or prospective Participant.
- 23.6. The Participant (and its Authorised Users) must, at the request of BrokerTec, immediately provide it with information on their organisational requirements and trading controls and assist in identifying:
- 23.6.1. Orders generated from algorithmic trading; and
 - 23.6.2. the different algorithms used for the creation of Orders.

24. Confidentiality

- 24.1. Without prejudice to any rights granted to the Operator in the Agreements, the Operator shall treat as confidential any information received from a Participant in relation to its business on BrokerTec, except where:
- 24.1.1. the information is already in the public domain at the time of disclosure; or
 - 24.1.2. the information enters the public domain other than by a breach of any obligation of confidentiality;
 - 24.1.3. disclosure of the information is required by the Applicable Law or regulation, including any tax authority or Regulatory Authority having jurisdiction (provided that, where legally permitted and practicable, prior notice of such disclosure shall be provided to the Participant as soon as practicable in order to permit the Participant to seek a protective order or take other appropriate action to safeguard the information);
 - 24.1.4. disclosure is made in the interests of co-operation with any regulatory investigation conducted by a relevant Regulatory Authority;
 - 24.1.5. disclosure is made for the protection of the market and the maintenance of high standards in integrity and fair dealing; or
 - 24.1.6. the Participant has consented to the disclosure in writing.
- 24.2. All personal information provided in connection with the use of BrokerTec will be used, distributed, and maintained

in accordance with CME Group's Privacy Policy (www.cmegroup.com/privacy-policy.html).

25. Co-operation with regulatory authorities

- 25.1. The Operator shall report any significant breaches of the Rules, Disorderly Trading Conditions, systems disruptions in relation to a financial instrument and conduct which gives rise to a suspicion of market abuse to the FCA or other Regulatory Authority.
- 25.2. The Operator shall provide full assistance to, and may also supply any relevant information without delay to, the FCA or other Regulatory Authority.
- 25.3. The Operator shall comply with all Applicable Law and regulations, and any request of the FCA or other relevant Regulatory Authority.

26. Complaints

- 26.1. Any complaint about the conduct of a Participant or any suspicion that any Participant has committed or about to commit a breach of these Rules, or any other complaint related to BrokerTec, should be made in writing and addressed to:

Head of Compliance EMEA
BrokerTec Europe Limited
CME Group
London Fruit & Wool Exchange 1 Duval Square
London E1 6PW

- 26.2. Details of BrokerTec's complaints policy are available on request.

27. Amendments and notices

- 27.1. The Operator may, in its absolute discretion, at any time supplement or implement new Rules, amend existing Rules, or revoke Rules in whole or in part. Participants shall be informed of any such change by the issuing of a Market Notice.
- 27.2. Market Notices and the Operational Parameters Annex form part of the Rules. Such changes will be effective at such time as specified in the relevant Market Notice (or if no time is specified, from the time of publication). Unless otherwise required by a Regulatory Authority or by applicable law, any such change shall not apply retrospectively.
- 27.3. If the change to the Rules is:
 - 27.3.1. material, the Operator will give Participants reasonable notice before such change comes into effect; or
 - 27.3.2. non-material, the Operator may make such change without issuing notice in advance of the change to Participants.

28. Governing law

- 28.1. The Rules and any non-contractual obligations arising in relation therewith will be construed in accordance with and governed by the laws of England and Wales. The parties hereby submit to the non-exclusive jurisdiction of the Courts of England and Wales in relation to any legal action or proceeding arising out of or in connection with these Rules.



The content in this communication has been compiled by CME Group for general purposes only and is not intended to provide, and should not be construed as, advice. Although every attempt has been made to ensure the accuracy of the information within this communication as of the date of publication, CME Group assumes no responsibility for any errors or omissions and will not update it. Additionally, all examples and information in this communication are used for explanation purposes only and should not be considered investment advice or the results of actual market experience. This communication does not (within the meaning of any applicable legislation) constitute a Prospectus or a public offering of securities; nor is it a recommendation to buy, sell or retain any specific investment or service.

CME Group does not represent that any material or information contained in this communication is appropriate for use or permitted in any jurisdiction or country where such use or distribution would be contrary to any applicable law or regulation. In any jurisdiction where CME Group is not authorized to do business or where such distribution would be contrary to the local laws and regulations, this communication has not been reviewed or approved by any regulatory authority and access shall be at the liability of the user.

Certain CME Group subsidiaries are authorised and regulated by regulatory authorities. CME Group subsidiaries are required to retain records of telephone conversations and other electronic communications for a period of 5 to 7 years where required by certain regulation, copies of which are available on request (which may be subject to a fee). For further regulatory information please see www.cmegroup.com.

Copyright © 2021 CME Group Inc. All rights reserved.
Mailing Address: 20 South Wacker Drive, Chicago, Illinois 60606.