

BrokerTec EU RM Rulebook

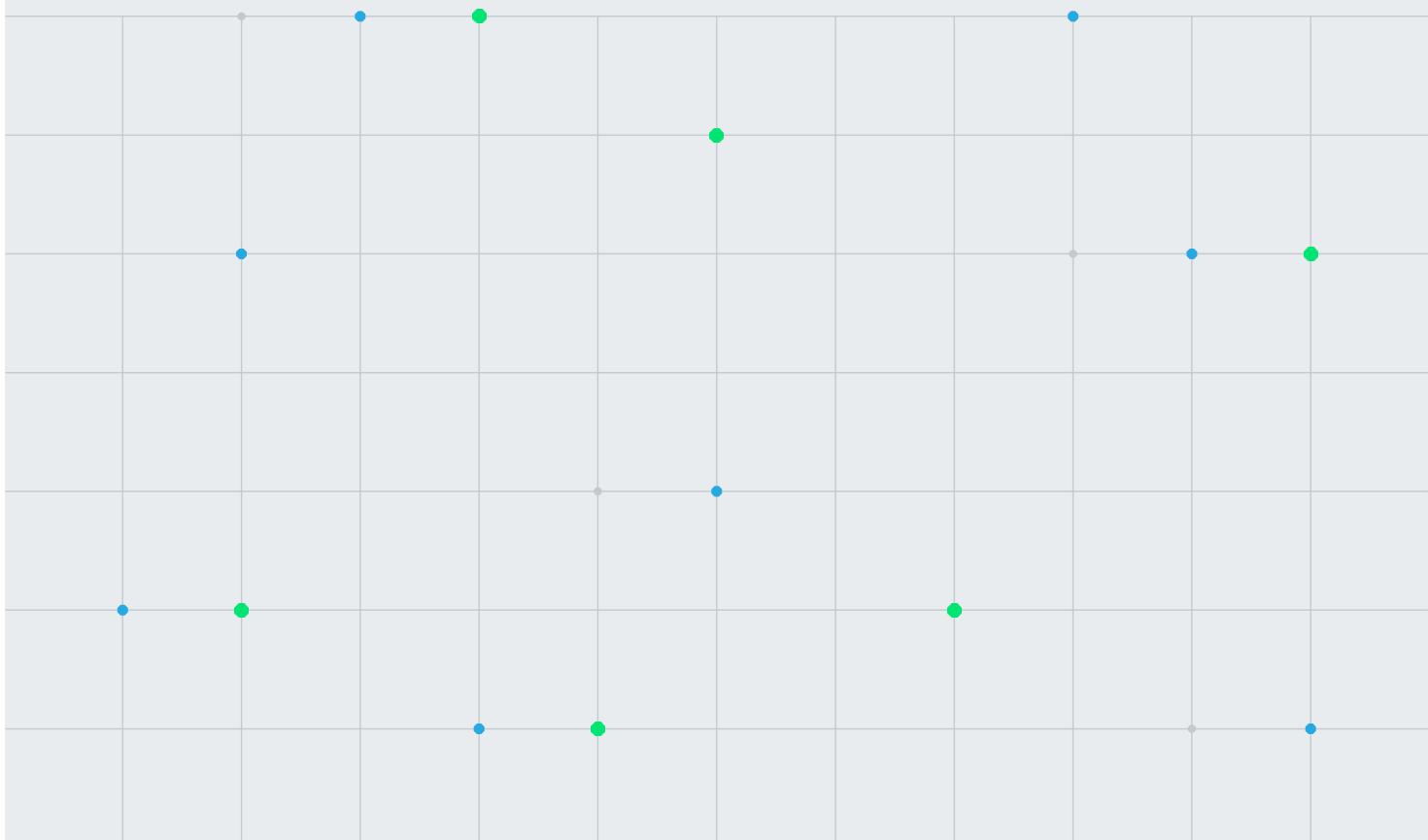
CME AMSTERDAM B.V.

PRODUCT APPENDIX: BONDS

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1 Definitions and Interpretation

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

Bid	means: 1. in relation to Outright Transactions, an Order stating a willingness to buy a Cash Security at, or within, the price indicated; and 2. in relation to Spread Transactions, an Order stating a willingness to buy the Cash Leg and sell the Reference Security, each at or within, the price indicated.
Cash Leg	means any Cash Security which is not the Reference Security in any proposed Spread Transaction.
Cash Security	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.
Central Counterparty	means the applicable Central Counterparty as set out in Annex 1.
Crossed Order	means a Store Order whose price is, if a Bid, higher than the best price available at that time for an Offer, and if an Offer, lower than the best price available at that time for a Bid.
Exchange Participant	means any person who either is, or has an arrangement with, a Clearing Member.
Exchange Rules	means all rules and regulations issued by, and in force in respect of, the relevant Exchange.
Offer	means: 1. in relation to Outright Transactions, an Order stating a willingness to sell a Cash Security at, or within, the price indicated; and 2. in relation to Spread Transactions, means an Order stating a willingness to sell the Cash Leg and buy the Reference Security, each at or within the price indicated.
Outright Transaction	means: 1. in relation to a Bilateral Market, a contract between two Participants in a Cash Security arising out of a Match of a Bid and an Offer in accordance with the Agreements and the Rulebook; and 2. in relation to a Cleared Market, the equal and opposite contracts in a Cash Security arising out of a Match of a Bid and an Offer in accordance with the Agreements, the Rulebook and the applicable Central Counterparty rules, such contracts being between the Participant submitting the Matched Bid and the Central Counterparty, as seller, and between the Participant submitting the Matched Offer and relevant Central Counterparty, as buyer.
Reference Security	means any Cash Security determined by the Operator (in its reasonable discretion) as the benchmark Cash Security for any Spread Transaction.
Spread Transaction	means one economic contract for the sale or purchase of a Cash 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: 1. in relation to the Participant submitting the Matched Bid, the purchase of the Cash Leg from, and the sale of the Reference Security to, the Central Counterparty; and 2. in relation to the Participant submitting the Matched Offer, the sale of the Cash Leg to, and the purchase of the Reference Security from, the Central Counterparty.
Transaction	means a transaction executed on Brokertec, and shall be one of an Outright Transaction or Spread Transaction.



2 General

- 2.1 This Product Appendix sets out additional Rules for Participation and executing Transactions on BrokerTec to ensure the orderly conduct of business.
- 2.2 Where indicated, certain Rules in this Appendix have specific application to certain Transactions and Markets. The Rules are binding on all Participants.
- 2.3 BrokerTec is open for the trading of Cash Securities between 8:00am and 6:15pm Amsterdam 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;
 - 3.1.2 unless otherwise exempted in writing by the Operator, for Government Securities, the Participant is a primary dealer in those Eligible Instruments; and
 - 3.1.3 for any Bilateral Market, the Participant has sufficient credit lines in place with a sufficient number of the existing Participants in the relevant Bilateral Market. The Operator shall assess 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 - CLOB

- 4.1.1 In relation to Outright Transactions, where a minimum size is applicable, no Order shall be submitted for less than the minimum size specified in Annex 1 for the relevant Market.
- 4.1.2 Any Order that is a Crossed Order shall not be accepted by BrokerTec.
- 4.1.3 All activities afforded by the Operator in respect of Spread Transactions will be separate from each other and separate from those in any Outright Transactions.

4.2 Treatment of Orders – CLOB

- 4.2.1 Store Orders shall be placed on the Central Limit Order Book and will be ranked in priority as to price and time received. No Order on the Central Limit Order Book will be Matched other than with a Fill Order. Fill Orders shall be subject to immediate Matching with the Central Limit Order Book when received by BrokerTec and treated in accordance with the type of Fill Order.
- 4.2.2 For any Order which has Hidden Volume, the Hidden Volume shall not be made available to the Matching process and/or shown in the Central Limit 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.

- 4.2.3 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.
- 4.2.4 Whenever BrokerTec receives a Fill Order, it will undertake a Matching process between that Fill Order and the Central Limit Order Book whereby Bids will be Matched with Offers, or parts thereof, and vice versa, where the price of the Order on the Central Limit Order Book is equal to or within the price of the Fill Order.
- 4.2.5 All Matching of Orders submitted to the Central Limit Order will be subject to the ranking of Orders established in Rules 4.2.1, 4.2.2, 4.2.3, 4.2.4, and any minimum part sizes imposed on such Orders.
- 4.2.6 Orders may be partially filled in the Matching process, except for a Fill or Kill Order, provided that no such partial amount will be in an increment of less than the minimum size (where applicable, as indicated in Annex 1).

4.3 Execution of Transactions – CLOB

- 4.3.1 Where a Match exists between a Bid and an Offer, or a part thereof in either case, BrokerTec will, subject to Rule 4.3.2 in relation to any Cleared Market and the cancellation provisions in this Product Appendix, execute the Transaction in respect of the Bid and Offer, or parts thereof, at the price displayed by the Order in the Central Limit Order Book. The Orders which are the subject of a Transaction will be removed from the Central Limit Order Book and/or the Matching process, as applicable, and, where only part of an Order has been the subject of a Transaction, the remainder shall remain in the Central Limit Order Book or the Matching process as applicable.
- 4.3.2 Where a Central Counterparty or an Exchange 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 or the Order concerns a security not covered by the Central Counterparty's rules), the Transaction in respect of those Orders, including for the avoidance of doubt Transactions in the Cash Security, Cash Leg or Reference Security, shall be void ab initio, the Matched Orders shall be cancelled and neither the Operator, the Central Counterparty nor any Exchange (as applicable) shall have any liability in respect thereof.

5 Confirmations

- 5.1 Any Transaction executed shall be evidenced by a confirmation, which shall be sent by BrokerTec to the Participant that is party to the Transaction, promptly after the time that the Transaction is executed and which shall be made available to that Participant on an ongoing basis where reasonable. The confirmation shall include all relevant details, including (as applicable) the Cash Security, the Cash Leg (including the applicable nominal), Reference Security, the clean price, and the time the Transaction was executed, and such confirmation shall, subject to manifest error, be deemed to be sufficient proof of the existence of a Transaction; provided, that if the Operator determines that any Transaction is executed in error by BrokerTec, the Operator shall notify the relevant Participant and such Participant shall not have any rights nor obligations in respect of such Transaction, which shall be null and void and the Operator shall have any liability in respect thereof.
- 5.2 In any Cleared Market, the Operator shall deliver the trade details to relevant Central Counterparty in respect of each Transaction.

6 Outright Transactions

- 6.1 In relation to any Outright Transaction, the Participant acknowledges and agrees that the price for each Order is quoted clean (which means exclusive of accrued interest) and the price to be paid or received on settlement of a Transaction arising out of an Order may not be the price quoted.



7 Spread Transactions

- 7.1 In relation to Spread Transactions, all prices quoted shall refer to the yield differential between the Cash Leg and the Reference Security.
- 7.2 In relation to Spread Transactions, Participant acknowledges and agrees that a purchase of a Cash Leg pursuant to a Bid shall include a simultaneous sale of a duration weighted amount of the Reference Security and a sale of a Cash Leg further to an Offer shall include a simultaneous purchase of a duration weighted amount of the Reference Security.
- 7.3 In respect of settlement of Cash Securities making up the Spread Transaction, BrokerTec shall determine the nominal amount of the Reference Security in accordance with a DV01 duration weighting methodology. 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.
- 7.4 In respect of the pricing of the Reference Security in a Spread Transaction, the Participant acknowledges and agrees that BrokerTec shall take the last traded price of the Reference Security in the outright market (or such other price as the Operator may in its reasonable discretion determine if no such price is available or current).

8 Bilateral Market Rules

- 8.1 The Participant acknowledges and agrees that the price for each Order is quoted clean, where clean means exclusive of accrued interest, and the price to be paid or received on settlement of a Transaction arising out of an Order may not be the price quoted.

9 Error Trades

- 9.1 Suspected or alleged Error Trades in Transactions shall be treated in accordance with the Error Trade Policy in Annex 2.

Annex 1

Government Securities

Market	CCP	Additional Requirements	Eligible Instruments	Minimum Size	Trading Days	
Austria	Cleared Market	<p>Central Counterparty:</p> <ul style="list-style-type: none"> • LCH SA 	<p>The Participant must be authorised by LCH SA to enter into Transactions on BrokerTec.</p> <p>If the Participant is an Austrian Primary Dealer or Recognised Dealer, then the Participant hereby authorises the Operator to send trading and quoting statistics to the Austrian Federal Financing Agency.</p>	Austrian Government Bonds and Bills	One million	Eurex trading days
Belgium	Cleared Market	<p>Central Counterparty:</p> <ul style="list-style-type: none"> • LCH SA 	<p>The Participant must be authorised by LCH SA to enter into Transactions on BrokerTec.</p> <p>If the Participant is a Belgian Primary Dealer or Recognised Dealer, then the Participant hereby authorises the Operator to send trading and quoting statistics to the Belgian Treasury.</p>	Belgian Government Bonds and Bills	Two million	Eurex trading days
Denmark	Bilateral Market	<p>International Central Securities Depositories (ICSD):</p> <ul style="list-style-type: none"> • Euroclear Bank NV • Clearstream Banking SA, Luxembourg 	<p>The Participant must have an account (whether direct or indirect) at an ICSD for settlement of Transactions.</p> <p>The Participant is required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to Transactions to the Participant's nominated ICSD account.</p>	Danish Government Bonds and Bills	One million	Danish Business days, excluding Danish Public Holidays
Finland	Cleared Market	<p>Central Counterparty:</p> <ul style="list-style-type: none"> • LCH SA 	<p>The Participant must be authorised by LCH SA to enter into Transactions on BrokerTec.</p> <p>If the Participant is a Finnish Primary Dealer or Recognised Dealer, then the Participant hereby authorises the Operator to send trading and quoting statistics to the Finnish State Treasury.</p>	Finnish Government Bonds and Bills	One million	Eurex trading days

Market	CCP	Additional Requirements	Eligible Instruments	Minimum Size	Trading Days
France	Cleared Market	<p>Central Counterparty:</p> <ul style="list-style-type: none"> • LCH SA <p>The Participant must be authorised by LCH SA to enter into Transactions on BrokerTec.</p> <p>Only SVT (Specialists in Treasury Securities as defined by Agence France Tresor) and credit institutions and/or suppliers of investment services established in France or in the territory of a member state of the European Economic Space with Primary Dealer status in at least three (3) countries in the Euro zone and subject to the same quotation obligations as the SVTs can have Participant status.</p> <p>The Participant consents to their name being made available post trade to the Matching Participant in the event of a Match.</p> <p>If a Participant has chosen BrokerTec as its platform of reference, then the Participant hereby authorises the Operator to send its performance data to the AMTE Secretariat on a daily basis.</p> <p>If a non-SVT Participant is deemed to be non-compliant with the quoting obligations imposed by the SVT Market Committee, the Participant agrees to comply with any notice issued by the Operator pursuant to Article 4.9 of the SVT Market Committee Market Rules.</p>	<p>French Government Bonds and Bills</p>	<p>BTF: Five million minimum size then lots of one million</p> <p>BTAN/OAT (except OAT 25 October 2019 and OAT 25 April 2023 where minimum size is three million):</p> <ul style="list-style-type: none"> • Five million (less than 10 years) • Three million (more than 10 years) then lots of one million <p>Inflation Bonds: Three million minimum size then lots of one million.</p>	Eurex trading days
Germany	Cleared Market	<p>Central Counterparty:</p> <ul style="list-style-type: none"> • LCH SA <p>The Participant must be authorised by LCH SA or its clearer (being a Clearing Member) to enter into Transactions on BrokerTec.</p>	<p>German Government Bonds and Bills</p>	Two million	Eurex trading days
Greece	Bilateral Market	<p>Central Securities Depositories (CSD): Bank of Greece</p> <p>Participants that are direct account holders at the Bank of Greece are required to grant the Operator a power of attorney to send settlement instructions in relation to Transactions to the Bank of Greece.</p> <p>Participants who do not have an</p>	<p>Greek Government Bonds and Bills</p>	One million	Eurex trading days

Market	CCP	Additional Requirements	Eligible Instruments	Minimum Size	Trading Days
		<p>account at the Bank of Greece must:</p> <ul style="list-style-type: none"> have arrangements in place with a custodian to settle Transactions at the Bank of Greece; and grant the Operator a power of attorney to send settlement instructions in relation to Transactions to their nominated Custodian's account at the Bank of Greece. 			
Ireland	Cleared Market	<p>Central Counterparty:</p> <ul style="list-style-type: none"> LCH SA 	<p>The Participant must be authorised by LCH SA to enter into Transactions on BrokerTec.</p> <p>If the Participant is an Irish Primary Dealer or Recognised Dealer, then the Participant hereby authorises the Operator to send trading and quoting statistics to the Irish National Treasury Management Agency.</p>	<p>Irish Government Bonds and Bills</p>	<p>One million</p> <p>Eurex trading days</p>
Italy	Cleared Market	<p>Central Securities Depositories (CSD):</p> <ul style="list-style-type: none"> Monte Titoli <p>Central Counterparty(s):</p> <ul style="list-style-type: none"> LCH SA Cassa di Compensazione e Garanzia ("CCG") 	<p>The Participant must have an account (whether direct or indirect) at the CSD for settlement of Transactions.</p> <p>The Participant must:</p> <ul style="list-style-type: none"> be authorised by the CSD to enter into Transactions on BrokerTec; and have authorised NABV to submit Transactions to the CSD on its behalf. <p>Participants must:</p> <ul style="list-style-type: none"> be a clearing member at LCH SA or CCG or have arrangements with an eligible member of LCH SA or CCG; and be authorised by LCH or CCG to enter into Transactions on BrokerTec. <p>Where required by applicable law or regulation, the Participant hereby authorises the Operator to send trading and quoting statistics to the Italian Ministry of</p>	<p>Italian Government Bonds and Bills</p>	<p>Bonds with maturity up to 31 December 2017: Two million</p> <p>Bonds with maturity greater than 31 December 2017: One million</p>

Market	CCP	Additional Requirements	Eligible Instruments	Minimum Size	Trading Days	
		Economy and Finance.				
Netherlands	Cleared Market	<p>Central Counterparty:</p> <ul style="list-style-type: none"> • LCH SA <p>The Participant must be authorised by LCH SA to enter into Transactions on BrokerTec.</p> <p>The Participant hereby consents to having its participant status displayed on the Operator's public website.</p> <p>If a Participant has chosen BrokerTec as its platform of reference, then the Participant authorises the Operator to send its performance data to the DSTA (Dutch State Treasury Agency) on a monthly basis.</p>	Dutch Government Bonds and Bills	Two million	Eurex trading days	
Portugal	Cleared Market	<p>Central Counterparty:</p> <ul style="list-style-type: none"> • LCH SA <p>The Participant must be authorised by LCH SA to enter into Transactions on BrokerTec.</p> <p>The Participant hereby consents to having its participant status displayed on the Operator's public website.</p> <p>The Participant consents to their name being made available post trade to the Matching Participant in the event of a Match.</p> <p>If a Participant has chosen BrokerTec as its platform of reference, then the Participant hereby authorises the Operator to send its performance data to the IGCP (Portuguese Treasury and Debt Management Agency) on a monthly basis.</p>	Portuguese Government Bonds and Bills	One million	Eurex trading days	
Spain	Cleared Market	<p>Central Counterparty:</p> <ul style="list-style-type: none"> • LCH SA with settlement through Iberclear <p>The Participant must be authorised by LCH SA to enter into Transactions on BrokerTec.</p>	Spanish Government Bonds and Bills	One million	Eurex trading days	
Slovakia	Cleared Market	<p>Central Counterparty:</p> <ul style="list-style-type: none"> • LCH Ltd <p>The Participant must be authorised by LCH Ltd to enter into Transactions on BrokerTec</p>	Slovakian Government Bonds	One million	Eurex trading days	
Slovenia	Cleared	Central	The Participant must be authorised by LCH Ltd to enter	Slovenian Government	One million	Eurex trading

Market	CCP	Additional Requirements	Eligible Instruments	Minimum Size	Trading Days	
	Market	Counterparty: • LCH Ltd	into Transactions on BrokerTec	Bonds	days	
Sweden	Bilateral Markets	Bilateral market with settlement in Vardepapperscentralen VPC AB (CSD)	<p>The Participant is required to have arrangements in place to settle Transactions at the CSD.</p> <p>Non-Swedish Participants are required to:</p> <ul style="list-style-type: none"> nominate a custodian for the settlement of Transactions; and grant the Operator a power of attorney to send settlement instructions on its behalf in relation to Transactions to their nominated custodian. 	Swedish Government Bonds and Bills	One million	Eurex trading days



Supranationals and covered bonds

Market	CCP	Additional Requirements	Eligible Instruments	Minimum Size	Trading Days
European Covered Bonds	Cleared Market	Central Counterparty: LCH Ltd	The Participant must be authorised by LCH Ltd to enter into Transactions on BrokerTec	European covered Bonds	One million For Euro denominated covered bonds, Eurex trading days For USD denominated covered bonds, US Business Days
	Cleared Market	Central Counterparty: LCH SA	The Participant must be authorised by LCH SA to enter into Transactions on BrokerTec.	Cades Bonds	One million Eurex trading days

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Market	CCP	Additional Requirements	Eligible Instruments	Minimum Size	Trading Days
Germany	Cleared Market	Central Counterparty: • LCH Ltd	The Participant must be authorised by LCH Ltd or its clearer (being a Clearing Member) to enter into Transactions on BrokerTec.	German Covered Bonds	One million Eurex trading days

Annex 2

Error Trade Policy

1. Objective

- 1.1. This Policy is issued pursuant to the BrokerTec EU RM Rulebook, the Product Appendix: Bonds 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 Transactions (as that term is defined in the Product Appendix: Bonds) offered on BrokerTec.
- 1.2. This Policy, together with the BrokerTec EU RM Rulebook, incorporates guidance from the Association for Financial Markets in Europe ("AFME") market recommendation for electronic inter-dealer trade cancellation procedures approved by member firms of the AFME/Primary Dealers as of 24 November 2011.
- 1.3. In the event of conflict between the BrokerTec EU RM Rulebook, the Product Appendix: Bonds and the Agreements, the following order of precedence shall apply to the extent of any inconsistency: 1. this Policy; 2. the Product Appendix: Bonds; 3. the Rulebook; and 4. the Agreements.
- 1.4. In administering the procedures set out in this Policy, the Participant agrees that the Operator shall not be responsible for the performance or cancellation of any Transaction by any counterparty and shall not have any liability in respect thereto.
- 1.5. This Error Trade Policy applies to all Participants including non primary dealer Participants.

2. Additional Definitions

- 2.1. In this Policy, the following words and expressions have the following meanings:

"Error Trade" means any Transaction determined to be "inconsistent" in accordance with paragraph 3 of this Policy.

- 2.2. All other capitalised terms used in this Policy shall have the meaning ascribed to them in the Rulebook and Product Appendix: Bonds.

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 only within 10 minutes of the execution of Relevant Transaction. For the avoidance of doubt, a Review Request received by the Operator within **10 minutes** of the time of execution validly invokes this Error Trade Policy irrespective of whether the counterparty to the Relevant Transaction has been notified of the Review Request within the 10 minute timeline. Participants agree that the Error Trade Policy cannot be invoked for any Review Request received later than 10 minutes from the time of execution. No later than five (5) minutes after receipt of a valid Review Request, the Operator shall inform the counterparty involved. Any Review Request received later than 10 minutes from the time of execution shall be treated as a validly received Cancellation Request and Rule 17.3 to Rule 17.13 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:
 - 3.2.1. take the actions required under Rules 17.4 to 17.8 of the Rulebook to enquire with the Other Participant as to whether they agree to bilaterally cancel with Relevant Transaction with the Requesting Participant; and

3.2.2. if the Other Participant does not so agree, then in accordance with the procedure set out herein, the Operator shall verify whether the Relevant Transaction was executed at a price level 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 price that was greater than 50% outside the average buy/sell market price (the “**Bid/Offer Spread Price**”) on a specific Eligible Instrument at the time of execution of the Relevant Transaction, calculated as set out below.

3.3. In the event that BrokerTec had between three (3) and five (5) existing two-way quotes at the time of execution of the Relevant Transaction, the Operator shall use those quotes in order to calculate whether the Relevant Transaction is greater than 50% outside the Bid/Offer Spread Price.

3.4. In the event that BrokerTec did not have between (3) and five (5) existing two-way quotes at the time of execution of the Relevant Transaction, the Operator shall select up to five (5) Participants, but no less than three (3) (excluding the counterparties to the Relevant Transaction) (the “**Surveyed Participants**”) to provide a two-way Bid/Offer quote, ie. the quote of a firm two- way inter-dealer price, they entered into or would have entered into for that Eligible Instrument on BrokerTec or any similar inter-dealer electronic trading platform at the time of the Relevant Transaction. The Surveyed Participants shall communicate those two-way Bid/Offer quotes to the Operator as soon as possible after the Operator’s request.

3.5. 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.

3.6. The Operator, if so requested by both counterparties to the Relevant Transaction, may distribute the prices provided by the Surveyed Participants used in the calculation but not the names of the Surveyed Participants.

3.7. Where only three Participants are able to communicate their Bid/Offer quotes, those three quotes will be used to determine the Bid/Offer Spread Price.

3.8. Where four Participants are able to communicate their Bid/Offer quotes, then after excluding the lowest Bid price and the highest Offer price, the average of the remaining quotations shall be calculated by the Operator in order to determine the Bid/Offer Spread Price.

3.9. Where five Participants are able to communicate their Bid/Offer quotes, then after excluding the highest and lowest Bid price (while keeping the corresponding Offer price), and the lowest and highest Offer price (while keeping the corresponding Bid price), the average of the remaining quotations shall be calculated by the Operator in order to determine the Bid/Offer Spread Price.

3.10. The Operator shall conclude that the Relevant Transaction is an Error Trade if the Relevant Transaction was executed at a price that was greater than 50% outside the Bid/Offer Spread Price and subject to paragraph 3.11 below, shall notify the counterparties to the Relevant Transaction of its conclusion as soon as reasonably practicable but no later than 30 minutes from the time of execution of the Relevant Transaction.

3.11. Where a counterparty notifies the Operator of the existence of exceptional market conditions, or in the view of the Operator there are exceptional market conditions, the Operator is not required to notify the counterparties of its conclusion within 30 minutes as set out in 3.10 above.

3.12. If the Relevant Transaction is determined to be an Error Trade under this paragraph 3, the counterparties may promptly agree to cancel the Relevant Transaction and notify the Operator.

3.13. If none of the procedures above result in a conclusion that is acceptable to both counterparties to the Relevant Transaction, the Operator shall reveal the name of each counterparty to its counterparty. If at this stage an agreement is reached, is shall be notified to the Operator.

3.14. Where the Relevant Transaction is determined by the Operator to be an Error Trade but no agreement is reached between the counterparties to the Relevant Transaction in accordance with paragraph 3.12, the Operator may cancel the Relevant Transaction.



3.15. Where the Relevant Transaction is cancelled:

- 3.15.1. the Operator will promptly inform the relevant Central Counterparty or settlement system; and
- 3.15.2. 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 effect the cancellation of a Relevant Transaction is a material breach of the Rulebook and the Agreements.



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