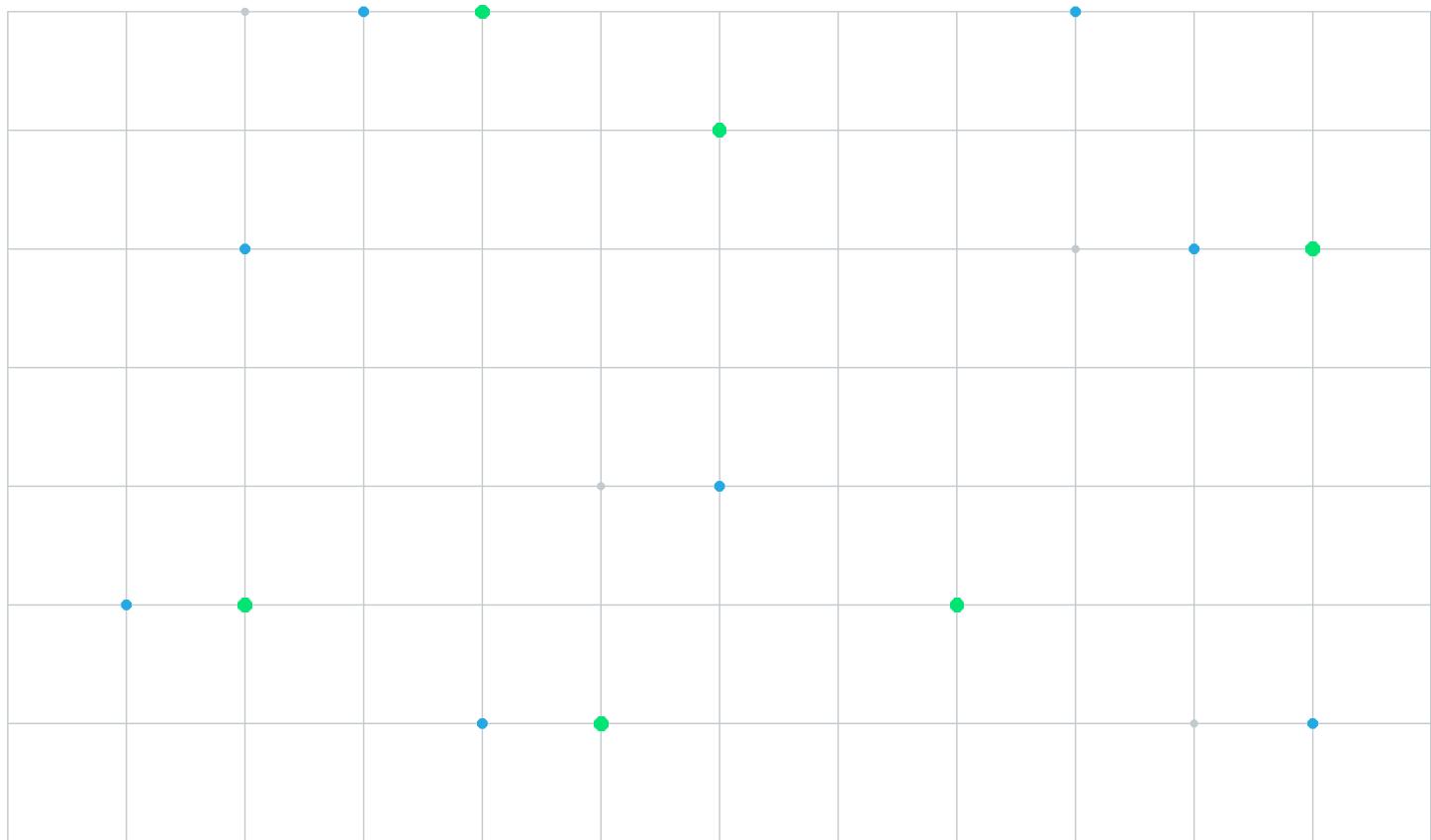


# EBS Dealing Rules – Appendix

## EBS Institutional FX



# 1. Definitions and Interpretation

Capitalised terms in this Appendix have the same meaning as in the Dealing Rules, unless otherwise specified. In addition, these terms have the following corresponding meanings:

<b>Acceptance Period</b>	Has the meaning given to it in Rule 2.4.5.
<b>Competed Trades</b>	Trade Requests on EBS Institutional FX where more than one Liquidity Provider is selected by the Liquidity Consumer.
<b>Liquidity Consumer</b>	A Participant who may submit Trade Requests via EBS Institutional FX.
<b>Liquidity Provider</b>	A Participant which satisfies the requirements in Rule 2.2 and provides indicative prices in Products that Liquidity Consumers can respond to by sending Trade Requests.
<b>Liquidity Provider Manager or LPM</b>	The administration tool provided by the Operator to a Liquidity Provider to administer its use of EBS Institutional FX.
<b>Non-Competed Trades</b>	Trade Requests on EBS Institutional FX where only one Liquidity Provider is selected by the Liquidity Consumer.
<b>Notice of Execution</b>	A Deal or Deals effected on an EBS Institutional FX, ordinarily carried as a message via a transaction notification FIX interface.
<b>Off-Platform Deal</b>	Has the meaning given to it in Rule 2.10.1.
<b>Order Viewer</b>	A screen on EBS Institutional FX that shows the Liquidity Consumer's Orders.
<b>RFSQ or Request for Streaming Quote</b>	A trading functionality where a Participant requests a stream of indicative prices for a particular Product from one or more Participants.
<b>Underlying Clients</b>	Means, where a Liquidity Consumer 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.

All capitalised terms not otherwise defined in this Appendix shall have the meaning ascribed to them in the Customer Agreements. In this Appendix, words in the singular include the plural and vice versa and words in one gender include any other gender. A reference to persons in this Appendix 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 this Appendix. Reference to statutory or regulatory provisions or instruments shall include any amendment, modification or re-enactment or re-making thereof.

2.1. EBS Institutional FX is a dealing service provided by the Operator which enables Liquidity Consumers to transact in Products:

2.1.1. with Liquidity Providers on a direct and disclosed basis; or

2.1.2. on a non-disclosed basis, by a Participant acting as a Prime Bank for a Liquidity Consumer.

## **2.2. Eligibility Criteria for Liquidity Providers**

2.2.1. In order to be admitted as a Liquidity Provider on EBS Institutional FX, a Participant must, on application and during the period that the Participant acts as a Liquidity Provider:

a) have the appropriate regulatory status under Applicable Laws to act as a Liquidity Provider;

b) when dealing with Liquidity Consumers, the Liquidity Provider deals as principal in relation to Products it offers on EBS Institutional FX;

c) if the instruments offered on EBS Institutional FX are centrally cleared, have the appropriate direct clearing membership or arrangements for clearing such instruments; and

d) meet any other relevant access requirements for Liquidity Providers adopted and published by the Operator from time to time.

## **2.3. Eligibility Criteria for Liquidity Consumers**

2.3.1. For Transactions to occur between Participants using EBS Institutional FX, a Liquidity Consumer must have a direct trading relationship with at least one Liquidity Provider or Prime Bank.

## **2.4. EBS Institutional FX Transactions**

2.4.1. A Transaction on EBS Institutional FX may result in one or more Deals. Each Deal consists of a Liquidity Consumer and a Liquidity Provider, or a Prime Bank and a Liquidity Provider.

2.4.2. Liquidity Providers may submit streams of indicative prices for the Products to Liquidity Consumers directly, or indirectly through a Prime Bank. A Liquidity Provider's stream of indicative prices shall be routed to each of its Liquidity Consumers so that a Liquidity Consumer has an aggregated view of indicative prices from Liquidity Providers.

2.4.3. Subject to Rules 2.4.5 to 2.4.8, a Deal on EBS Institutional FX is completed when a Liquidity Consumer submits a Trade Request to a Liquidity Provider, which is then accepted by the Liquidity Provider (if it is rejected, no Deal is formed). That Liquidity Provider's Notice of Execution will then be sent in accordance with Rule 2.6.1 below. If for any reason EBS Institutional FX fails to process a Deal message and it is not received by the Liquidity Consumer, the Deal shall enter a 'Pending' state. The Liquidity Consumer should immediately contact EBS Customer Support and/or the Liquidity Provider (if known) to determine whether the deal is 'Done' or 'Not Done'.

- 2.4.4. If a Participant suspects that a Deal is in doubt, it must immediately contact EBS Customer Support for Deal status confirmation.
- 2.4.5. Liquidity Providers have an acceptance period set by the Operator (in its sole discretion) in which to accept a Trade Request (the "Acceptance Period").
- 2.4.6. If a Trade Request is not accepted during the Acceptance Period or is rejected by a Liquidity Provider no Match shall occur and no Transaction shall arise with that Liquidity Provider.
- 2.4.7. If a simultaneous RFQ was made of multiple Liquidity Providers and the Liquidity Consumer selected a 'Best price option', and the Trade Request is not accepted or is rejected, EBS Institutional FX will automatically make a Trade Request of the best price available from the other Liquidity Providers available to the Liquidity Consumer.
- 2.4.8. If a Trade Request is not accepted by a Liquidity Provider within the Acceptance Period, any subsequent attempt to accept that Trade Request shall not result in a Transaction.
- 2.4.9. The Operator shall be entitled to vary or remove (or require the Liquidity Consumer, Liquidity Provider or the relevant Prime Bank to vary or remove) from EBS Institutional FX any Offer, Bid, instruction or message placed in or input through EBS Institutional FX. If a Participant suspects, is notified by the Operator or otherwise becomes aware that there is or may be a malfunction or technical failure in EBS Institutional FX, the Participant shall immediately remove all instructions placed by it on EBS Institutional FX and (if the Operator did not notify the Participant) notify the Operator of the same and refrain from using EBS Institutional FX until it has been notified by the Operator that such malfunction or technical failure has been corrected. The Operator shall be entitled to cancel or revoke any Transactions in case of such malfunction or technical failure in accordance with the Applicable Law.

## **2.5. The Routing Process**

- 2.5.1. General
  - a) Each Liquidity Consumer must establish a relationship with its Liquidity Provider(s) or a Prime Bank.
  - b) The Liquidity Consumer is solely responsible for its own management and administration of its credit exposures and that of any Underlying Clients.
  - c) For a Transaction on EBS Institutional FX to occur, the Liquidity Provider or a Prime Bank must enable a Liquidity Consumer, and some or all of the Underlying Clients managed by the Liquidity Consumer.
- 2.5.2. Trade Requests
  - a) EBS Institutional FX supports Trade Requests from Liquidity Consumers.
  - b) A Trade Request shall specify the currency, tenor (or specific date), side, price (near and far leg price for Packaged Transaction of Forwards), amount (near and far leg for Packaged Transaction of Forwards), value date (near and far leg for Packaged Transaction of Forwards). The Trade Request will show the identifier of the Liquidity Consumer. The identifier for the Underlying Client(s) will be included with each Order loaded into EBS Institutional FX by the Liquidity Consumer.

#### 2.5.3. Execution Methods

- a) The 'Request for Streaming Quote' (RFSQ) protocol allows a Liquidity Consumer to select the required Product in the EBS Institutional FX market view and request one or more Liquidity Providers to provide a stream of indicative prices to that Liquidity Consumer based upon the particular parameters of the request, for a predetermined time (currently two minutes).
- b) Upon receiving the RFQ/RFS message, Liquidity Providers can decide whether to provide indicative prices to the Liquidity Consumer. Liquidity Consumers will view the indicative prices they receive from Liquidity Providers in their existing EBS Institutional FX aggregated market view and can select the indicative price that they wish to trade, which will send through a Trade Request to the Liquidity Provider providing the relevant indicative price.
- c) If the Trade Request is accepted by the Liquidity Provider, a Deal will result between the Liquidity Consumer and the Liquidity Provider who provided the indicative price.

#### 2.5.4. Matching Priority

- a) For Non-Competed Trades, EBS Institutional FX will immediately route the submitted Trade Request to the selected Liquidity Provider.
- b) For Competed Trades, where the Liquidity Consumer selects 'Best' or 'Best for All' within the Order Viewer, EBS Institutional FX will immediately route the submitted Trade Request to the Liquidity Provider(s) with the best indicative price. Each Liquidity Provider's indicative price is prioritized in order of price and speed of response of the related Liquidity Provider.
- c) For Competed Trades, any Trade Request that is not accepted or is rejected by the Liquidity Provider will be reactivated by EBS Institutional FX with one of the remaining Liquidity Providers according to the rules of price and speed of the Liquidity Provider's response to the related RFSQ which will be maintained. If no Match occurs within the Acceptance Period, then no Transaction occurs and the Liquidity Consumer will be notified as such.

#### 2.5.5. Interrupt Rules

- a) Once submitted, a Trade Request cannot be interrupted or cancelled.

### 2.6. Post Trade

#### 2.6.1. Notice of Execution

- a) The Operator provides an automated Notice of Execution through EBS Institutional FX, originating from the relevant executing Liquidity Provider, notifying the Liquidity Consumer (and its Prime Bank, if applicable) of the Deal that the Liquidity Consumer (and/or its Underlying Client(s)) has executed. It is the Liquidity Consumer's responsibility to ensure that its software is able to receive the EBS Institutional FX STP messages and that the interface is properly installed, tested and working.
- b) Each Notice of Execution for Deals executed fully electronically over the Platform shall also constitute a confirmation of the Deal.
- c) Rule 2.6.1.b) shall not apply to any Off-Platform Deals unless the Liquidity Consumer and their Liquidity Provider(s) specifically agree that this shall apply, following implementation and testing of appropriate additional controls.

- d) Notwithstanding any of the above, it remains the responsibility of the Liquidity Consumer, the Prime Bank (if applicable) and the Liquidity Provider to a Transaction on EBS Institutional FX to confirm and verify Deals and the accuracy and completeness of the Notice of Execution for each Transaction. In the event that any error or discrepancy arises or that such Notice of Execution is not accurate and complete or are not generated, the Liquidity Consumer shall immediately (and in any event within one hour of the Transaction) contact the relevant Prime Bank (if applicable), the Liquidity Provider and the Operator.

## 2.7. Administration – Liquidity Providers

### 2.7.1. Administrator

- a) Each Liquidity Provider must appoint at least one Administrator.
- b) At least one Administrator must be available to communicate with and be accessible to the Operator and Participants at all times while EBS Institutional FX is in use by the Liquidity Provider.
- c) The Administrator is responsible for the supervision of operations of EBS Institutional FX by the Liquidity Provider with a view to ensuring the efficient operation and streaming of indicative prices via EBS Institutional FX. Any issues arising in relation to EBS Institutional FX shall be handled in accordance with these Dealing Rules.

### 2.7.2. Security

- a) It is the responsibility of the Liquidity Provider to determine and implement adequate security systems and procedures at its locations in accordance with the Applicable Law.

### 2.7.3. Liquidity Consumer Management

- a) The Liquidity Provider is solely responsible for establishing and maintaining trading relationships with Liquidity Consumers.
- b) It is the sole responsibility of the Liquidity Provider to administer and maintain settlement instructions and/or Credit Limits with any Liquidity Consumer and the Operator accepts no responsibility for administering or managing Credit Limits or settlement instructions for any Liquidity Provider. Management of Credit Limits and settlement instructions occurs outside of EBS Institutional FX.

## 2.8. Administration – Liquidity Consumers

### 2.8.1. Administrator

- a) Each Liquidity Consumer must appoint at least one Administrator for each trading location. At least one local Administrator must be available to communicate with and be accessible to the Operator at all times while EBS Institutional FX is in use at each trading location.
- b) The Administrator is responsible for the supervision of operations of EBS Institutional FX on the Liquidity Consumer's Trading Floor with a view to ensuring the efficient operation of EBS Institutional FX. Any issues arising in relation to EBS Institutional FX shall be handled in accordance with the Dealing Rules. The Liquidity Consumer shall remain responsible for security of the system and all hardware; for supervising that equipment; for system start up and shut down and for all reports generated. These operational responsibilities include trading activities and system support of all hardware used at the Trading Floor for dealing on EBS Institutional FX.

#### 2.8.2. Security

- a) Each Authorised Employee has his own ID and password which allow access to the specific functionality of EBS Institutional FX that is relevant to their role.
- b) It is the responsibility of each Liquidity Consumer to determine and implement adequate security systems and procedures at its Trading Floor(s), and to follow the security requirements and procedures prescribed by the Operator in the Customer Agreement.
- c) It is the responsibility of the Administrator to notify EBS Customer Support immediately where access to EBS Institutional FX of an Authorised Employee has been terminated or otherwise invalidated.

#### 2.8.3. Underlying Clients

For Liquidity Consumers acting under this Appendix as agent on behalf of one or more Underlying Clients, those Liquidity Consumers must ensure, on a continuing basis, that:

- a) the Underlying Client(s) have adequate resources over which the Liquidity Consumer has authority, to enter into and perform any such Transaction which the Liquidity Consumer decides to undertake on their behalf;
- b) any Transactions entered into on EBS Institutional FX are valid and binding obligations enforceable against those Underlying Client(s) in accordance with this Appendix, subject to bankruptcy or other Applicable Laws;
- c) where the Liquidity Consumer's use of EBS Institutional FX is for the benefit and account of its Underlying Client(s), that Liquidity Consumer must have been given authority from such Underlying Client to use EBS Institutional FX for their benefit and account;
- d) the Liquidity Consumer 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 are likely to become insolvent;
- e) the Liquidity Consumer 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
- f) in the event of a Default Event by any of the Liquidity Consumer's Underlying Clients, or the failure of the Liquidity Consumer's Underlying Clients to meet any of their material obligations, the relevant Liquidity Consumer 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.

## 2.9. Participant Support Obligations

- 2.9.1. If an Authorised Employee suspects a problem with EBS Institutional FX which it considers may affect its use of EBS Institutional FX, they must immediately:
  - a) in the case of a Liquidity Provider, cease streaming any indicative prices and/or deny access to any of its Liquidity Consumers;
  - b) in the case of a Liquidity Consumer, cease submitting any Trade Requests; and
  - c) contact EBS Customer Support.
- 2.9.2. EBS Customer Support may require, amongst other things, at its sole discretion that:
  - a) all or some of the Authorised Employees to stop using EBS Institutional FX; and/or
  - b) the Participant provides information in connection with the issue to EBS Customer Support.
- 2.9.3. Participants shall comply with any reasonable requests of EBS Customer Support in relation to any issue or problem with EBS Institutional FX.
- 2.9.4. Other than supporting the technical set up of EBS Institutional FX, the Operator has no responsibility for establishing any such direct trading relationship between a Liquidity Provider and a Liquidity Consumer, or Liquidity Consumer and Prime Bank.
- 2.9.5. The Operator may terminate or suspend a Participant's access to EBS Institutional FX if the Operator reasonably suspects that there is a problem with EBS Institutional FX.

## 2.10. Off-Platform Deals (Voice Execution)

- 2.10.1. EBS Institutional FX includes functionality to process trades that are executed outside of the platform, for example by between participants directly over the telephone ("Off-Platform Deals"). The functionality for Off-Platform Deals is a technology service provided by EBS Dealing Resources, and Off-Platform Deals do not form part of the dealing service.



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