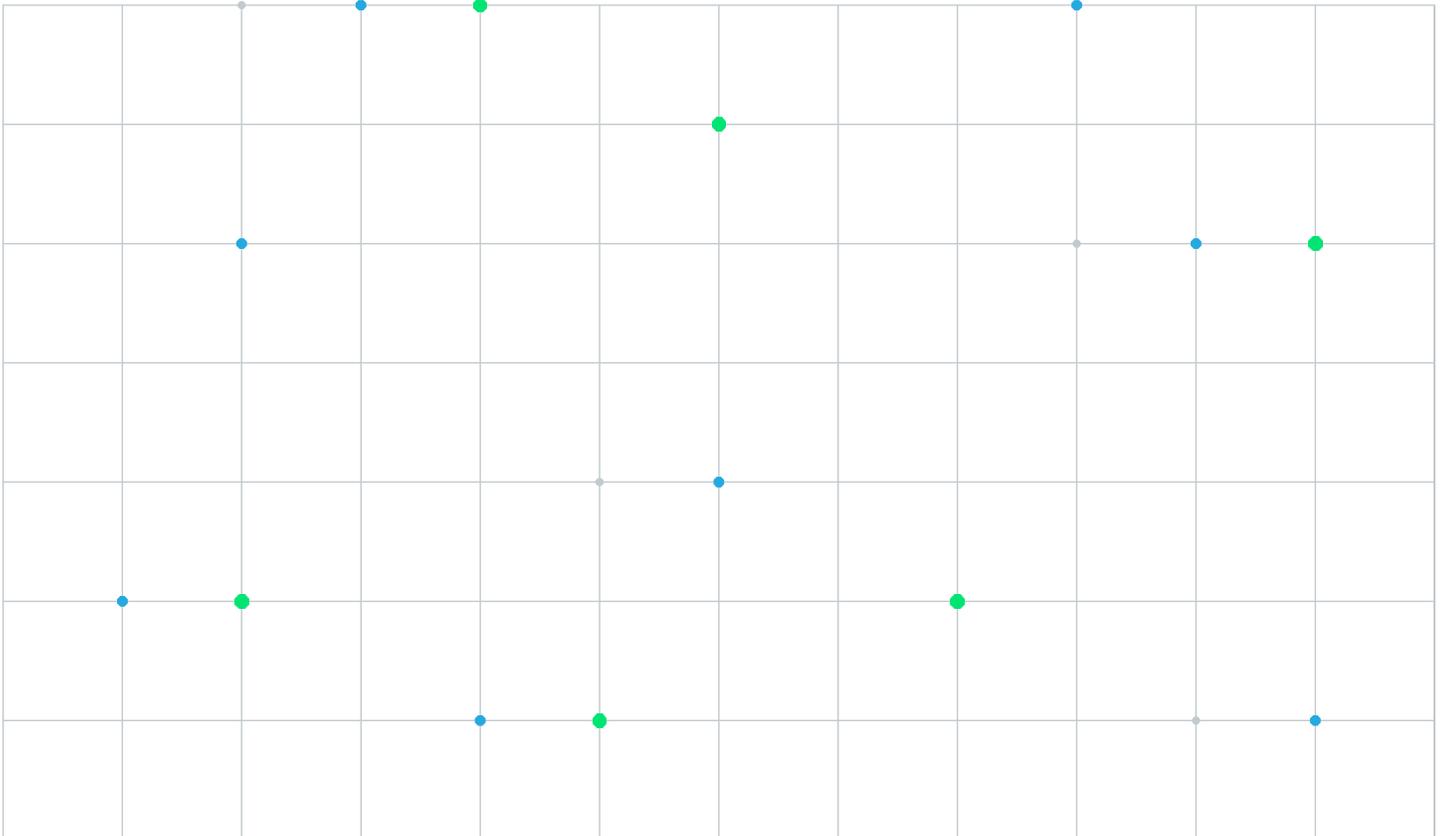


# EBS MTF Rulebook – Appendix

## EBS Direct



# 1. Definitions and Interpretation

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

<b>Acceptance Period</b>	Has the meaning given to it in Rule 2.4.6.
<b>EBS Admin System</b>	The administrative tools for EBS Direct accessible by the Participant, which includes the Trading Floor Administration system (“TFA”) as well as the web-based Credit Manager and Admin systems.
<b>Liquidity Consumer</b>	A Participant who may submit Trade Requests via EBS Direct.
<b>Liquidity Provider</b>	A Participant which satisfies the Liquidity Provider Eligibility Criteria and provides indicative prices in Products that Liquidity Consumers can respond to by sending Trade Requests.
<b>Liquidity Provider Eligibility Criteria</b>	The criteria set out in a separate document issued and updated by the Operator from time to time which sets out the minimum requirements that certain Participants must meet in order to become Liquidity Providers on EBS Direct.
<b>Liquidity Provider Manager or LPM</b>	The administration tool provided by the Operator to a Liquidity Provider to administer its use of EBS Direct.
<b>RFQ or Request for Quote</b>	A trading functionality where a Participant requests a stream of indicative prices for a particular Product from one or more Participants

All capitalised terms not otherwise defined in this Rulebook shall have the meaning ascribed to them in the Customer Agreements. In this Rulebook, 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 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 or regulatory provisions or instruments shall include any amendment, modification or re-enactment or re-making thereof.

2.1. EBS Direct 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. Participants may become Liquidity Providers where, on application and during the period that the Participant acts as a Liquidity Provider, they meet:

- a) any relevant specific access requirements for Liquidity Providers adopted and published by the Operator from time to time;
- b) have the appropriate regulatory status under Applicable Laws to act as a Liquidity Provider; and
- c) the requirements set out in the Liquidity Provider Eligibility Criteria (however, this does not apply to Participants in their use of manual RFQ functionality).

## 2.3. Eligibility Criteria for Liquidity Consumers

2.3.1. For Transactions to occur between Participants using EBS Direct, a Liquidity Consumer must have a direct trading relationship with at least one Liquidity Provider or Prime Bank. Other than supporting the technical set up of EBS Direct, 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.

## 2.4. EBS Direct Transactions

2.4.1. A Transaction on EBS Direct 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 Rule 2.4.7, a Deal on EBS Direct is done when EBS Direct has processed the Liquidity Provider's trade message and has confirmed that the Liquidity Consumer's Trade Request has not expired. EBS Direct will then send a confirmation of the Transaction, including the Transaction timestamp, to the Liquidity Consumer and Liquidity Provider.

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. No Trade Request may be submitted by a Liquidity Consumer unless it exceeds the minimum trade amount set out in the Guide to Currency Pair Parameters (available on the EBS MTF website).

2.4.6. Liquidity Providers have an acceptance period set by the Operator (in its sole discretion) in which to accept a Trade Request (the "Acceptance Period").

- 2.4.7. 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. 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.
- 2.4.8. When a Liquidity Provider accepts a Trade Request an execution report shall be generated confirming the Transaction which is sent to the Liquidity Consumer.
- 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 Direct any Offer, Bid, instruction or message placed in or input through EBS Direct. This includes, but is not limited to, where there is a significant price movement in a Product during a short period.
- 2.4.10. 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 Direct, the Participant shall immediately remove all instructions placed by it on EBS Direct and (if the Operator did not notify the Participant) notify the Operator of the same and refrain from using EBS Direct 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 and the Liquidity Provider or the Prime Bank shall extend a Credit Limit to the Liquidity Consumer as they see fit.
- b) For a Transaction on EBS Direct to occur:
  - i. the Liquidity Provider or a Prime Bank must enable a Liquidity Consumer; and
  - ii. a Liquidity Provider or Prime Bank must have extended a Credit Limit to the Liquidity Consumer.

### 2.5.2. Trade Requests

- a) EBS Direct supports Trade Requests from Liquidity Consumers.
- b) A Trade Request shall specify the currency, tenor (or specific date), side, price (including near and far leg price for FX Packaged Transaction of Forwards), amount (including near and far leg amounts for FX Packaged Transaction of Forwards), value date (near and far leg dates for FX Packaged Transaction of Forwards). The Trade Request will show the identifier of the Liquidity Consumer.

### 2.5.3. Execution Method

Liquidity Consumers can use the 'Request for Quote/Stream' ("RFQ/RFS") protocol allows a Liquidity Consumer to select the required Product in the EBS Direct 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 (e.g. two minutes). 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 Direct 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. 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) Once a Trade Request is submitted, EBS Direct will immediately attempt to route the request to the Liquidity Provider with an indicative price that has a better or equal price to that set out in the Trade Request. Each Liquidity Provider's indicative price is prioritized in price, region, time order and each Liquidity Consumer's Trade Request is prioritized in price, region, time order.
- b) If a Trade Request is not accepted or is rejected by the Liquidity Provider, EBS Direct will continue to present the Trade Request according to the rules of price, region, time priority 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.

### 2.6. Post Trade

#### 2.6.1. Deal Tickets

- a) A Deal Ticket is produced for each Transaction executed on EBS Direct.
- b) The Operator is able to provide an automated STP feed notifying a Liquidity Consumer, the Prime Bank (if applicable) and the Liquidity Provider of post trade tickets executed on EBS Direct.
- c) The automated STP feed can be via the EBS Deal Feed Client and/or Central Post Trade. Central Post Trade can be a direct connection to the Operator's post trade database, or it can provide a connection to the Operator's post trade data base via a third party provider.
- d) It is the Participant's responsibility to ensure that its software is able to receive the EBS STP messages and that the interface is properly installed, tested and working.
- e) It shall be the responsibility of the Liquidity Consumer, the Prime Bank (if applicable) and the Liquidity Provider to a Transaction on EBS Direct to confirm and verify Deals and the accuracy and completeness of Deal Tickets for each Transaction. In the event that any error or discrepancy arises or that such Deal Tickets are 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 for the Liquidity Provider Manager. The Administrator is responsible for the creation of Authorised Employee accounts. Authorised Employees may have editing or 'view only' privileges. Each Liquidity Provider should refer to the Liquidity Provider Manager User Guide for further information in relation to use and administration of the LPM. The Liquidity Provider shall comply with the Liquidity Provider Manager User Guide.
- b) At least one Administrator must be available to communicate with and be accessible to the Operator and Participants at all times while EBS Direct is in use by the Liquidity Provider.
- c) The Administrator is responsible for the supervision of operations of EBS Direct by the Liquidity Provider with a view to ensuring the smooth running of and streaming of indicative prices via EBS Direct. Any issues arising in relation to EBS Direct shall be handled in accordance with this Rulebook.

## 2.7.2. Security

- a) Each Administrator has his own ID and password to the LPM which allow access to specific Administrator functions. The Operator provides the Administrator with their initial password and the first time the Administrator signs on they will be required to change their password. The Administrator is responsible for creating and maintaining Authorised Employee accounts. Authorised Employee will be required to change passwords upon logging in for the first time.
- b) 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, via the LPM, is solely responsible for establishing and maintaining trading relationships with Liquidity Consumers and setting the entitlements that each Liquidity Consumer has. The ability for an Authorised Employee to establish and maintain such relationships is set out in the Liquidity Provider Manager User Guide.
- 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 Direct.
- c) The Operator, on receiving written instructions from a Liquidity Provider, can access the LPM system and amend trading relationship parameters, but accepts no liability or responsibility for errors or omissions when carrying out the request.

## 2.8. Administration – Liquidity Consumers

### 2.8.1. The EBS Admin System

- a) Each Liquidity Consumer must appoint at least one Administrator for each Trading Floor. At least one Administrator must be available to communicate with and be accessible to the Operator and Customers at all times while EBS Direct is in use at the Trading Floor. An Administrator or other Authorised Employee must also be present when maintenance of EBS Direct is taking place at the Trading Floor. Liquidity Consumers must notify the Operator in advance of any change of personnel for the Administrator role.
- b) The Administrator is responsible for the supervision of operations of EBS Direct on the Liquidity Consumer's Trading Floor with a view to ensuring the smooth running of EBS Direct. Any issues arising in relation to EBS Direct shall be handled in accordance with this Rulebook. The Liquidity Consumer shall remain responsible for the security and operational support of the system and all hardware deployed at the Trading Floor; for supervising that equipment; for system start up and shut down and for all reports generated.
- c) The Operator, on receiving written instructions from a Liquidity Consumer, can access the EBS Admin System and amend system administration parameters, but accepts no liability or responsibility for errors or omissions when carrying out the request.

### 2.8.2. Security

- a) Each Administrator has their own ID and password which allow access to specific administration and/or credit management functions.

- 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 Direct of an Authorised Employee has been terminated or otherwise invalidated.

#### 2.8.3. Credit and Settlement

- a) For FX Outrights and FX Packaged Transaction of Forwards, Liquidity Providers and Liquidity Consumers are responsible for managing their own Credit Limits.

### 2.9. Participant Support Obligations

2.9.1. If an Authorised Employee suspects a problem with EBS Direct which it considers may affect its use of EBS Direct, 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 Direct; 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 Direct.

2.9.4. The Operator may terminate or suspend a Participant's access to EBS Direct if the Operator reasonably suspects that there is a problem with EBS Direct.



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