

# BrokerTec EU RM Rulebook

## CME AMSTERDAM B.V.

### PRODUCT APPENDIX: SECURITIES FINANCING

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#### Contact

CME Global Command Center (GCC)  
Tel No: +44 (0) 20 7623 4747  
[gcc@cmegroup.com](mailto:gcc@cmegroup.com)



## 1. Definitions and interpretation

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

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

<b>Repurchase Agreement</b>	published by the Securities Industry and Financial Markets Association and the International Capital Market Association or other equivalent bodies from time to time.
<b>Global Master Securities Lending Agreement</b>	means the standard master agreement for securities lending transactions as developed and published by the International Securities Lenders Association or other equivalent bodies from time to time.
<b>Haircut</b>	means the difference between the market value of the SFT Security (determined by a third party rate) and the purchase price paid for the SFT Security, expressed as a percentage.
<b>ICMA</b>	means the International Capital Market Association
<b>Offer</b>	means, in relation to SFTs, an Order stating a willingness to enter into the SFT as seller pursuant to the Opening Transactions in respect of a SFT Security at, or within, the SFT Rate and for the Start Date and Term (if applicable) indicated and Haircut, (if applicable).
<b>Open Securities Financing Transaction</b>	means an Opening Transaction and the related Closing Transaction where the date of the Closing Transaction is determined at a date later than the date of execution of the Opening Transaction, arising out of Matches of Bids and Offers in accordance with this Product Appendix, the Agreements and the relevant documentation between the counterparties to the SFT. Open Securities Financing Transactions are only available in a Bilateral Market.
<b>Opening Transactions</b>	means: <ol style="list-style-type: none"> <li>1. in relation to a Bilateral Market, the opening leg of a SFT under which the SFT Security(s) the subject of the SFT are sold by the relevant Participant; and</li> <li>2. in relation to a Cleared Market, the opening leg of a SFT under which the SFT Security the subject of the SFT are sold (i) by the Participant submitting the Matched Offer to the Central Counterparty, and (ii) by the Central Counterparty to the User submitting the Matched Bid.</li> </ol>
<b>Order</b>	means either a GC Order or a Specific Order.
<b>Primary Confirmation</b>	means a notice sent by the Operator to the Participant following the Matching of Orders in a Bilateral Market by BrokerTec, including the details of the Matched Order and the identity of the other Participant.
<b>SFT Rate</b>	means the rate specified by the Participant for the relevant Securities Financing Transaction submitted to BrokerTec in an Order.
<b>Securities Financing Transaction or SFT</b>	means a transaction by which a counterparty transfers securities or commodities subject to a commitment that the borrower will return equivalent securities or commodities on a future date or when requested to do so by the transferor, that transaction being considered as securities or commodities lending for the counterparty transferring the securities or commodities and being considered as securities or commodities borrowing for the counterparty to which they are transferred.
<b>Securities Lending Order</b>	Has the same meaning as a “Loan” in the Global Master Securities Lending Agreement (also commonly known in the market as “Stock Loans” or “Stock Lending”)
<b>SFT Security</b>	means those Securities set out in Annex 1 or as notified by the Operator from time to time which are eligible to be traded on BrokerTec.
<b>Specific Order</b>	means the information submitted to BrokerTec representing a Bid or an Offer in respect of a Specific Security, being either (a) an RFQ in the case of trading through the RFQ Trading Protocol or (b) a Fill Order or a Store Order in the case of trading on the CLOB and such term may include any part thereof.
<b>Specific Securities Financing Transaction</b>	means a Securities Financing Transaction in respect of a Specific Security.

<b>Specific Security</b>	means any SFT Security specified at the time of the Order.
<b>Start Date</b>	means the date on which the Opening Transaction is settled.
<b>Store Order</b>	means an Order which is to be submitted directly to the Order Book without being subject first to the Matching process or is that part of a Fill and Store Order which is not initially filled pursuant to the Matching process, and shall include an All or Nothing Order.
<b>Term</b>	means the number of days after the Start Date that the Closing Transactions are to be settled.
<b>Term SFT</b>	means an Opening Transaction and the related Closing Transaction, executed simultaneously and arising out of Matches of Bids and Offers in accordance with this Product Appendix, the Agreements and (a) for a Bilateral Market, the relevant documentation between the counterparties to the Securities Financing Transaction and (b) for a Cleared Market, the rules of the relevant Central Counterparty.
<b>TriParty GC Securities</b>	means a pool of SFT Securities for which post-trade processing, collateral selection and collateral management is outsourced by the counterparties to a third-party agent (such as an international central securities depository).
<b>Unwind Period</b>	means, for CLOB trading, for any SFT Security denominated in Euro or USD, the two (2) minute period (or such other period as notified to the Participant by the Operator from time to time) following the Matching of Orders by BrokerTec in accordance with this Product Appendix; and means for RFQ trading, for all SFT Securities, a fifteen (15) minute period.

## 2. General

- 2.1. This Product Appendix sets out additional Rules for Participation and executing SFTs on BrokerTec, to ensure the orderly conduct of business. SFTs may be executed on BrokerTec as a result of either GC Orders or Specific Orders.
- 2.2. Where indicated, certain Rules in this Appendix have specific application to SFTs as indicated by Market and/or Eligible Instruments. The Rules are binding on all Participants.
- 2.3. For the trading of SFT Securities, BrokerTec is open at the times indicated on the [BrokerTec website](#).

## 3. Eligibility criteria

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

## 4. Trading procedures

### 4.1. Submitting Orders

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

### 4.2. Treatment of Orders

- 4.2.1. On the CLOB:
  - (a) Store Orders shall be placed on the Order Book and will be ranked in priority as to SFT Rate and time received. No Order on the Order Book will be Matched other than with a Fill Order. Fill Orders shall be subject to immediate Matching with the Order Book when received by BrokerTec

and treated in accordance with the type of Fill Order. An All or Nothing Order shall only be capable of being filled in its entirety.

- (b) For any Order which has Hidden Volume, the Hidden Volume shall not be made available to the Matching process and/or shown in the Order Book, as the case may be, until the whole of the Show Amount then existing for that Order has been filled, whereupon any unfilled volume from the incoming Fill Order shall be Matched against the remaining Hidden Volume from the top shown Order and then the next shown Order until all volume of the incoming Order is Matched.
- (c) Orders in a Bilateral Market may only be Matched with other Orders in that same Bilateral Market. Orders in a Cleared Market may only be Matched with other Orders in that same Cleared Market.
- (d) Whenever BrokerTec receives a Fill Order, it will undertake a Matching process between that Fill Order and the Order Book whereby Bids will be Matched with Offers, or parts thereof, and vice versa, where the SFT Rate of the Order on the Order Book is equal to or within the SFT Rate of the Fill Order. All Matching will be subject to the ranking of Orders established in Rules 4.2.1 (a), (b) and (c) and any minimum part sizes imposed on such Orders. Specific Orders may be partially filled in the Matching process, except for a Fill or Kill Order or Fill and Kill Order, provided that no such partial amount will be in an increment of less than the minimum sizes set out in Rule 4.1.2 and Rule 4.1.3.
- (e) Only Orders for identical Start Dates and Terms shall be Matched. GC Orders shall only be Matched with other GC Orders for the same GC Security Pool. In addition, a Specific Order shall only be Matched with another Specific Order.

#### 4.2.2. RFQ Trading Protocol:

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

### 4.3. Execution of Securities Financing Transactions

4.3.1. Subject to Rule 6.1 for any Cleared Market and subject always to Rule 7.1 for any Bilateral Market, where a Match exists between a Bid and an Offer in respect of a Specific Security, or a part thereof, a SFT shall be executed in respect of the Bid and Offer, or parts thereof, at the SFT Rate and Term (if applicable) displayed by the Order in the Order Book. The Orders which are the subject of a SFT will be removed from the Order Book and/or the Matching process and, where only part of an Order has been the subject of a SFT, the remainder shall remain in the Order Book or the Matching process as applicable.

4.3.2. Other than as provided for in Rule 4.3.3, where a Match exists between a Bid and an Offer in respect of a GC Security Pool, or a part thereof in either case, the Participant submitting the Offer shall specify the GC Security to be the subject of the SFT no later than one hour prior to the Central Counterparty's cut off time as set out in its operational procedures, unless the Opening Transaction occurs less than or equal to one hour prior to the Central Counterparty's cut off time as set out in its operational procedures, in which case the Participant submitting the Offer shall specify the GC Security to be the subject of the SFT no later than such cut off time. On the CLOB (but not in the RFQ Trading Protocol), the Participant submitting such Offer shall allocate the GC Security in amounts set out in Annex 2. Immediately upon the GC Security being so specified a SFT shall be executed in respect of the Bid and Offer, or parts thereof, in respect of the type and amount of GC Security so specified, at the SFT Rate and Term (if applicable) displayed by the Order in the Order Book. The Orders which are the subject of a SFT will be removed from the Order Book and/or the Matching process, as applicable,

and, where only part of an Order has been the subject of a SFT, the remainder shall remain in the Order Book or the Matching process as applicable.

- 4.3.3. For Euro GC+ and TriParty GC Securities, allocation of the specific GC Securities is determined by the relevant CCP or third party, as applicable, after the Match has taken place. The Operator is not directly involved in the settlement process for Euro GC+ and TriParty GC Securities. Once a Transaction has been agreed on BrokerTec, the Operator may notify the relevant CCP of the Transaction. The relevant CCP is responsible for matching the instructions and (if such a match is successful) processing the Transaction. If there is no relevant CCP, both counterparties must independently notify the relevant third party, who is responsible for matching the instructions and (if such a match is successful) processing the Transaction. The third party may then provide post-trade management of the collateral.
- 4.3.4. Notwithstanding the above, no SFT shall arise where a Match is made where the Participant has been suspended, whether temporarily or not, from BrokerTec. In the case of a GC Order, for the avoidance of doubt, should a Participant be suspended subsequent to the submission of the GC Order but prior to the allocation of the relevant GC Security in accordance with Rule 4.3.2, no SFT shall arise.
- 4.3.5. For any SFT except an Open Securities Financing Transaction, BrokerTec shall calculate the cash consideration payable under the Opening Transaction and Closing Transaction based on market prices for the relevant SFT Security and the SFT Rate at which the SFT was executed. For Open Securities Financing Transactions, BrokerTec shall calculate the cash consideration payable in accordance with (1) the price of the SFT Security and any substituted SFT Security; and (2) the SFT Rate and any new SFT Rates, as agreed by the Participants when re-rating the SFT in accordance with Rule 10. Following execution of the Closing Transaction the Participants may agree any amendment to the cash consideration payable. All SFT Rates are displayed by the Operator in BrokerTec.

## 5. Confirmations

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

Central Counterparty (where applicable) shall have any liability in respect thereof. In any Cleared Market, the Operator shall deliver the trade details to the relevant Central Counterparty in respect of each SFT.

## 6. Cleared Market rules

- 6.1. Where the Central Counterparty rejects Matched Orders in accordance with the Central Counterparty's rules (such as where the Participant is a defaulter within the meaning of the Central Counterparty's rules) no SFT shall arise, the Matched Orders shall be cancelled and neither the Operator nor the Central Counterparty shall have any liability in respect thereof.
- 6.2. 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.

## 7. Bilateral Market rules

### 7.1. Credit Setting

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

## 8. Rejection of Matched Orders on the CLOB

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

## 9. Misuse of BrokerTec

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



## **10. Securities Financing Transaction terminations, cancellations and amendments**

### **10.1. Cancellations and Amendments**

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

### **10.2. Open Securities Financing Transactions Terminations and Amendments**

10.2.1. Each counterparty to an Open Securities Financing Transaction may terminate it by notifying the other counterparty and either Participant must notify the Operator within the notice period determined by the Operator, in its sole discretion, as notified to the Participants from time to time. The settlement date will be in accordance with the ICMA recommended deadlines as set out in Annex 4 (as may be amended by ICMA from time to time) or such later date as notified to the Operator by the Participants through the System. The Operator may in its sole discretion override the settlement date of any Closing Transaction where it deems it necessary.

10.2.2. Counterparties to an Open Securities Financing Transaction may agree to amend the SFT Rate of any Open Securities Financing Transaction in accordance with Rule 10.1. The new SFT Rate will apply from the date on which the Operator is notified plus one (1) Business Day (as defined in the GMRA or GMSLA, as applicable). The Operator may in its sole discretion override the date on which the new SFT Rate takes effect where it deems it necessary.

10.2.3. The Participant acting as seller in an Open Securities Financing Transaction may substitute the Specific Security or the GC Security which is the subject of the Open Securities Financing Transaction for any other SFT Security of equal quality and value on agreement with the buyer of the Open Securities Financing Transaction. The selling Participant shall notify the Operator within such period determined by the Operator, in its sole discretion, as notified to the Participants from time to time. For the avoidance of doubt, substitution of Specific Security or GC Security is considered to be an amendment of the Open Securities Financing Transaction except where it is not feasible for jurisdictional or operational reasons in which case any substitution of the Specific Security or GC Security of an Open Securities Financing Transaction, will require the cancellation of the Open Securities Financing Transaction and the execution of a new Open Securities Financing Transaction.

## **11. General**

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

## **12. Error trades**

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

## Annex 1

Market		Settlement Facility	Additional Requirements	Securities Financing Transaction type	Trading Days
Austria	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>LCH SA</li> </ul>	For CLOB trading, the Participant must be authorised by LCH SA to enter into SFTs on BrokerTec.  For the RFQ Trading Protocol, the Participant must either be authorised by LCH SA to enter into SFTs on BrokerTec or maintain an agreement with a LCH SA Agent Member for the clearing of SFTs on BrokerTec.	Classic Repo Orders on all Austrian Government Bonds available on BrokerTec	TARGET Business Days
	Bilateral Market	On the CLOB;  International Central Securities Depositories (ICSD): <ul style="list-style-type: none"> <li>Euroclear Bank NV</li> <li>Clearstream Banking SA, Luxembourg</li> </ul> On the RFQ Trading Protocol; As agreed between the Parties	On the CLOB:  The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of SFTs.  For CLOB trading, the Participant is required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to SFTs to the Participant's nominated ICSD account.  On the RFQ Trading Protocol: As agreed between the Parties	Classic Repo Orders and Buy/Sell Back Orders on all Austrian Government Bonds and Securities Lending Orders, each as available on BrokerTec	TARGET Business Days
Belgium	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>LCH SA</li> </ul>	For CLOB trading, the Participant must be authorised by LCH SA to enter into SFTs on BrokerTec.  For the RFQ Trading Protocol, the Participant must either be authorised by LCH SA to enter into SFTs on BrokerTec or maintain an agreement with a LCH SA Agent Member for the clearing of SFTs on BrokerTec.	Classic Repo Orders on all Belgian Government Bonds available on BrokerTec	TARGET Business Days
	Bilateral Market	On the CLOB:  Central Securities Depositories (CSD): <ul style="list-style-type: none"> <li>National Bank of Belgium</li> </ul> On the RFQ Trading Protocol: As agreed between the Parties	On the CLOB:  Participants that are direct account holders at the National Bank of Belgium ("NBB") are required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to SFTs to NBB.  Participants who do not have an account at NBB must: <ul style="list-style-type: none"> <li>have arrangements in place with a custodian to settle SFTs; and</li> </ul>	Classic Repo Orders and Buy/Sell Back Orders on all Belgian  Government Bonds and Securities Lending Orders, each as available on BrokerTec	TARGET Business Days

Market		Settlement Facility	Additional Requirements	Securities Financing Transaction type	Trading Days
			<ul style="list-style-type: none"> <li>For CLOB trading, grant the Operator a power of attorney to send settlement instructions in relation to SFTs to a Participant's nominated custodian.</li> </ul> <p>On the RFQ Trading Protocol: As agreed between the Parties</p>		
Denmark	Bilateral Market	<p>On the CLOB: International Central Securities Depositories (ICSD):</p> <ul style="list-style-type: none"> <li>Euroclear Bank NV</li> <li>Clearstream Banking SA, Luxembourg</li> </ul> <p>On the RFQ Trading Protocol: As agreed between the Parties</p>	<p>On the CLOB: The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of SFTs.</p> <p>For CLOB trading, the Participant is required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to SFTs to the Participant's nominated ICSD account.</p> <p>On the RFQ Trading Protocol: As agreed between the Parties</p>	<p>Classic Repo Orders and Buy/Sell Back Orders on all Danish</p> <p>Government Bonds and Securities Lending Orders, each as available on BrokerTec</p>	<p>Danish Business days, excluding Danish Public Holidays</p>
Finland	Cleared Market	<p>Central Counterparty:</p> <ul style="list-style-type: none"> <li>LCH SA</li> </ul>	<p>For CLOB trading, the Participant must be authorised by LCH SA to enter into SFTs on BrokerTec.</p> <p>For the RFQ Trading Protocol, the Participant must either be authorised by LCH SA to enter into SFTs on BrokerTec or maintain an agreement with a LCH SA Agent Member for the clearing of SFTs on BrokerTec.</p>	<p>Classic Repo Orders on all Finnish Government Bonds available on BrokerTec</p>	<p>TARGET Business Days</p>
	Bilateral Market	<p>On the CLOB: International Central Securities Depositories (ICSD):</p> <ul style="list-style-type: none"> <li>Euroclear Bank NV</li> <li>Clearstream Banking, Luxembourg</li> </ul> <p>On the RFQ Trading Protocol: As agreed between the Parties</p>	<p>On the CLOB: The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of SFTs.</p> <p>For CLOB trading, the Participant is required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to SFTs to the Participant's nominated ICSD account.</p> <p>On the RFQ Trading Protocol: As agreed between the Parties</p>	<p>Classic Repo Orders and Buy/Sell Back Orders on all Finnish Government Bonds and Securities Lending Orders, each as available on BrokerTec</p>	<p>TARGET Business Days</p>

Market		Settlement Facility	Additional Requirements	Securities Financing Transaction type	Trading Days
France	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>LCH SA</li> </ul>	The Participant must be authorised by LCH SA to enter into SFTs on BrokerTec.	Classic Repo Orders on all French Government Bonds available on BrokerTec	TARGET Business Days
Germany	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>LCH SA</li> </ul>	For CLOB trading, the Participant must be authorised by LCH SA to enter into SFTs on BrokerTec. For the RFQ Trading Protocol, the Participant must either be authorised by LCH SA to enter into SFTs on BrokerTec or maintain an agreement with a LCH SA Agent Member for the clearing of SFTs on BrokerTec.	Classic Repo Orders on all German Government Bonds available on BrokerTec	TARGET Business Days
	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>Eurex Clearing</li> </ul>	The Participant must be authorised by Eurex Clearing to enter into SFTs on BrokerTec.	Classic Repo Orders on all German Government Bonds available on BrokerTec	TARGET Business Days
	Bilateral Market	On the CLOB: International Central Securities Depositories (ICSD): <ul style="list-style-type: none"> <li>Euroclear Bank NV</li> <li>Clearstream Banking SA, Luxembourg</li> <li>Clearstream Banking AG</li> </ul> On the RFQ Trading Protocol: As agreed between the Parties	On the CLOB: The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of SFTs. For CLOB trading, except where the Participant settles through Clearstream Banking AG, the Participant is required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to SFTs to the Participant's nominated ICSD account. On the RFQ Trading Protocol: As agreed between the Parties	Classic Repo Orders and Buy/Sell Back Orders on all German Government Bonds and Securities Lending Orders, each as available on BrokerTec	TARGET Business Days
Greece	Bilateral Market	On the CLOB: Central Securities Depositories (CSD): <ul style="list-style-type: none"> <li>Bank of Greece</li> </ul> On the RFQ Trading Protocol: As agreed between the Parties	On the CLOB: For CLOB trading, 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 SFTs to the Bank of Greece. Participants who do not have an account at the Bank of Greece must: <ul style="list-style-type: none"> <li>have arrangements in place with a custodian to settle SFTs at the Bank of Greece; and grant the Operator a power of attorney to send settlement instructions in relation to SFTs to their nominated Custodian's account at the Bank of Greece.</li> </ul>	Buy/Sell Back Orders on all Greek Bonds and Securities Lending Orders, each as available on BrokerTec	TARGET Business Days

Market		Settlement Facility	Additional Requirements	Securities Financing Transaction type	Trading Days
			On the RFQ Trading Protocol: As agreed between the Parties		
Hungary	Bilateral Market	On the CLOB: International Central Securities Depositories (ICSD): <ul style="list-style-type: none"> <li>Euroclear Bank NV</li> <li>Clearstream Banking SA, Luxembourg</li> </ul> On the RFQ Trading Protocol: As agreed between the Parties	On the CLOB: Available through the RFQ Trading Protocol only.  The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of SFTs.  On the RFQ Trading Protocol: As agreed between the Parties	Classic Repo Orders and Buy/Sell Back Orders on all Hungarian Government Bonds and Securities Lending Orders, each as available on BrokerTec	TARGET Business Days
Ireland	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>LCH SA</li> </ul>	For CLOB trading, the Participant must be authorised by LCH SA to enter into SFTs on BrokerTec. For the RFQ Trading Protocol, the Participant must either be authorised by LCH SA to enter into SFTs on BrokerTec or maintain an agreement with a LCH SA Agent Member for the clearing of SFTs on BrokerTec.	Classic Repo Orders on all Irish Government Bonds available on BrokerTec	TARGET Business Days
	Bilateral Cleared	On the CLOB: International Central Securities Depositories (ICSD): <ul style="list-style-type: none"> <li>Euroclear Bank NV</li> <li>Clearstream Banking SA, Luxembourg</li> </ul> On the RFQ Trading Protocol: As agreed between the Parties	On the CLOB:  The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of SFTs.  For CLOB trading, the Participant is required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to SFTs to the Participant's nominated ICSD account.  On the RFQ Trading Protocol: As agreed between the Parties	Classic Repo Orders and Buy/Sell Back Orders on all Irish  Government Bonds and Securities Lending Orders, each as available on BrokerTec	TARGET Business Days
Italy	Cleared Market	Central Securities Depositories (CSD): <ul style="list-style-type: none"> <li>Monte Titoli S.p.A Central Counterparty(s):</li> <li>LCH SA</li> </ul>	The Participant must have an account at the CSD for the settlement of SFTs.  The Participant must be authorised by the CSD to enter into SFTs on BrokerTec.  Participants must:	Classic Repo Orders on all Italian Government Bonds available on BrokerTec	TARGET Business Days

Market		Settlement Facility	Additional Requirements	Securities Financing Transaction type	Trading Days
		<ul style="list-style-type: none"> <li>Cassa di Compensazione e Garanzia ("CCG")</li> </ul>	<ul style="list-style-type: none"> <li>be a clearing member at LCH SA or CCG or have arrangements with an eligible member of LCH SA or CCG; and</li> <li>be authorised by LCH or CCG to trade SFTs on BrokerTec.</li> </ul>		
	Bilateral Market	<p>On the CLOB:</p> <p>Central Securities Depositories (CSD):</p> <ul style="list-style-type: none"> <li>Monte Titoli</li> </ul> <p>On the RFQ Trading Protocol:</p> <p>As agreed between the Parties</p>	<p>On the CLOB:</p> <p>Participants must have an account at the CSD for the settlement of SFTs.</p> <p>Participants are required to:</p> <ul style="list-style-type: none"> <li>have arrangements in place with a custodian to settle SFTs at the CSD; and</li> <li>For CLOB trading, grant the Operator a power of attorney to send settlement instructions on its and its Custodian's behalf in relation to SFTs to the CSD.</li> </ul> <p>On the RFQ Trading Protocol:</p> <p>As agreed between the Parties</p>	<p>Classic Repo Orders and Buy/Sell Back Orders on all Italian Government Bonds and Securities Lending Orders, each as available on BrokerTec</p>	<p>TARGET Business Days</p>
Netherlands	Cleared Market	<p>Central Counterparty:</p> <ul style="list-style-type: none"> <li>LCH SA</li> </ul>	<p>For CLOB trading, the Participant must be authorised by LCH SA to enter into SFTs on BrokerTec. For the RFQ Trading Protocol, the Participant must either be authorised by LCH SA to enter into SFTs on BrokerTec or maintain an agreement with a LCH SA Agent Member for the clearing of SFTs on BrokerTec.</p>	<p>Classic Repo Orders on all Dutch Government Bonds available on BrokerTec</p>	<p>TARGET Business Days</p>
	Bilateral Market	<p>On the CLOB:</p> <p>International Central Securities Depositories (ICSD):</p> <ul style="list-style-type: none"> <li>Euroclear Bank NV Clearstream Banking SA, Luxembourg</li> </ul> <p>On the RFQ Trading Protocol:</p> <p>As agreed between the Parties</p>	<p>On the CLOB:</p> <p>The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of SFTs. The Participant is required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to SFTs to the Participant's nominated ICSD account.</p> <p>On the RFQ Trading Protocol:</p> <p>As agreed between the Parties</p>	<p>Classic Repo Orders and Buy/Sell Back Orders on all Dutch Government Bonds and Securities Lending Orders, each as available on BrokerTec</p>	<p>TARGET Business Days</p>

Market		Settlement Facility	Additional Requirements	Securities Financing Transaction type	Trading Days
Poland	Bilateral Market	Central Securities Depository (CSD): <ul style="list-style-type: none"> <li>Krajowy Depozyt Papierów Wartościowych S.A. (KDPW)</li> </ul>	Available through the RFQ Trading Protocol only.  For the settlement of SFTs where the underlying Bonds are registered in the Krajowy Depozyt Papierów Wartościowych S.A. (KDPW, the Polish national clearing house), the Participant must be authorised by KDPW_CCP S.A. (an affiliate of KDPW) and be a clearing member of the KDPW_CCP S.A. or alternatively, the Participant needs to have arrangements in place with a custodian/settlement bank for the purposes of clearing, that itself is a clearing member of KDPW_CCP S.A.  In order for the Operator to send settlement instructions on behalf of the Participant in relation to SFTs, the Participant is required to grant the Operator a power of attorney.	Classic Repo Orders and Buy/Sell Back Repo Orders on all Polish Government Bonds and Securities Lending Orders, each as available on BrokerTec	Polish Business Days
Portugal	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>LCH SA</li> </ul>	For CLOB trading, the Participant must be authorised by LCH SA to enter into SFTs on BrokerTec. For the RFQ Trading Protocol, the Participant must either be authorised by LCH SA to enter into SFTs on BrokerTec or maintain an agreement with a LCH SA Agent Member for the clearing of SFTs on BrokerTec	Classic Repo Orders on all Portuguese Government Bonds available on BrokerTec	TARGET Business Days
	Bilateral Market	On the CLOB:  International Central Securities Depositories (ICSD): <ul style="list-style-type: none"> <li>Euroclear Bank NV</li> <li>Clearstream Banking SA, Luxembourg</li> </ul> On the RFQ Trading Protocol: As agreed between the Parties	On the CLOB:  The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of SFTs.  For CLOB trading, the Participant is required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to SFTs to the Participant's nominated ICSD account.  On the RFQ Trading Protocol: As agreed between the Parties	Classic Repo Orders and Buy/Sell Back Orders on all Portuguese Government Bonds and Securities Lending Orders, each as available on BrokerTec	TARGET Business Days
Spain	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>LCH SA with settlement through Iberclear</li> </ul>	The Participant must be authorised by LCH SA to enter into SFTs on BrokerTec.  The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of SFTs. The Participant is required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to SFTs to the Participant's nominated ICSD account.	In relation to SFTs through LCH SA, Classic Repo Orders and Buy/Sell Back Orders on all Spanish Government Bonds available on BrokerTec.	TARGET Business Days

Market		Settlement Facility	Additional Requirements	Securities Financing Transaction type	Trading Days
	Cleared Market	Central Counterparty <ul style="list-style-type: none"> <li>BME Clearing S.A.U.</li> </ul>	The Participant must be authorised by BME Clearing S.A.U. to enter into SFTs on BrokerTec.	In relation to SFTs through BME Clearing S.A.U. Buy/Sell Back Orders on all Spanish Government Bonds available on BrokerTec	TARGET Business Days
	Bilateral Market	On the CLOB: Central Securities Depository (CSD): <ul style="list-style-type: none"> <li>Iberclear</li> </ul> On the RFQ Trading Protocol: As agreed between the Parties	On the CLOB: Participants are required to have arrangements in place to settle SFTs at the CSD. Non-Spanish Participants are required to: <ul style="list-style-type: none"> <li>nominate a custodian for the settlement of SFTs; and</li> <li>For CLOB trading, grant the Operator a power of attorney to send settlement instructions on its behalf in relation to SFTs to their nominated custodian.</li> </ul> On the RFQ Trading Protocol: As agreed between the Parties	Buy/Sell Back Orders on all Spanish Government Bonds and Securities Lending Orders, each as available on BrokerTec	TARGET Business Days
Slovakia	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>LCH SA</li> </ul>	For CLOB trading, the Participant must be authorised by LCH SA to enter into SFTs on BrokerTec. For the RFQ Trading Protocol, the Participant must either be authorised by LCH SA to enter into SFTs on BrokerTec or maintain an agreement with a LCH SA Agent Member for the clearing of SFTs on BrokerTec.	Classic Repo Orders on all Slovakian Government Bonds available on BrokerTec.	TARGET Business Days
	Bilateral Market	On the CLOB: International Central Securities Depositories (ICSD): <ul style="list-style-type: none"> <li>Euroclear Bank NV</li> </ul> On the RFQ Trading Protocol: As agreed between the Parties	On the CLOB: The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of SFTs. For CLOB trading, the Participant is required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to SFTs to the Participant's nominated ICSD account. On the RFQ Trading Protocol: As agreed between the Parties	Classic Repo Orders and Buy/Sell Back Orders on all Slovakian Government Bonds and Securities Lending Orders, each as available on BrokerTec	TARGET Business Days



Market		Settlement Facility	Additional Requirements	Securities Financing Transaction type	Trading Days
Slovenia	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>LCH SA</li> </ul>	For CLOB trading, the Participant must be authorised by LCH SA to enter into SFTs on BrokerTec.  For the RFQ Trading Protocol, the Participant must either be authorised by LCH SA to enter into SFTs on BrokerTec or maintain an agreement with a LCH SA Agent Member for the clearing of SFTs on BrokerTec.	Classic Repo Orders on all Slovenian Government Bonds available on BrokerTec.	TARGET Business Days
	Bilateral Market	On the CLOB: International Central Securities Depositories (ICSD): <ul style="list-style-type: none"> <li>Euroclear Bank NV</li> </ul> On the RFQ Trading Protocol: As agreed between the Parties	On the CLOB: The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of SFTs.  For CLOB trading, the Participant is required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to SFTs to the Participant's nominated ICSD account.  On the RFQ Trading Protocol: As agreed between the Parties	Classic Repo Orders and Buy/Sell Back Orders on all Slovenian Government Bonds and Securities Lending Orders, each as available on BrokerTec	TARGET Business Days
Sweden	Bilateral Market	On the CLOB: Bilateral market with settlement in Vardepapperscentralen VPC AB (CSD)  On the RFQ Trading Protocol: As agreed between the Parties	On the CLOB: For CLOB trading, Participants that are direct account holders at the CSD are required to grant the Operator a power of attorney to send settlement instructions in relation to SFTs to the CSD.  Participants who do not have an account at the CSD must: <ul style="list-style-type: none"> <li>have arrangements in place with a custodian to settle SFTs at the CSD; and</li> <li>grant the Operator a power of attorney to send settlement instructions in relation to SFTs to their nominated custodian's account at CSD.</li> </ul> On the RFQ Trading Protocol: As agreed between the Parties	Buy/Sell Back Orders on all Swedish Government Bonds and Securities Lending Orders, each as available on BrokerTec.	All Swedish Business Days

## Supranationals

Market		Settlement Facility	Additional Requirements	Securities Financing Transaction type	Trading Days
European Covered Bonds	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>LCH SA</li> </ul>	For CLOB trading, the Participant must be authorised by LCH SA to enter into SFTs on BrokerTec. For the RFQ Trading Protocol, the Participant must either be authorised by LCH SA to enter into SFTs on BrokerTec or maintain an agreement with a LCH SA Agent Member for the clearing of SFTs on BrokerTec.	Classic Repo Orders on European Covered Bonds available on BrokerTec	TARGET Business Days
	Bilateral Market	On the CLOB: International Central Securities Depositories (ICSD): <ul style="list-style-type: none"> <li>Euroclear Bank NV</li> <li>Clearstream Banking SA, Luxembourg</li> </ul> On the RFQ Trading Protocol: As agreed between the Parties	On the CLOB: The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of SFTs. For CLOB trading, the Participant is required to grant the Operator a power of attorney to send settlement instructions on its behalf in relation to SFTs to the Participant's nominated ICSD account.  On the RFQ Trading Protocol: As agreed between the Parties	Classic Repo Orders and Buy/Sell Back Orders on European Covered Bonds and Securities Lending Orders, each as available on BrokerTec.	TARGET Business Days
Supranational Bonds	Cleared Market	Central Counterparty: <ul style="list-style-type: none"> <li>LCH SA</li> </ul>	The Participant must be authorised by LCH SA to enter into SFTs on BrokerTec	Classic Repo Orders on EU / EIB Bonds available on BrokerTec	Eurex trading days

### Corporates

Market		Settlement Facility	Additional Requirements	Securities Financing Transaction type	Trading Days
Corporates	Bilateral Market	<p>On the CLOB: International Central Securities Depositories (ICSD):</p> <ul style="list-style-type: none"> <li>• Euroclear Bank NV</li> <li>• Clearstream Banking SA, Luxembourg</li> <li>• Clearstream Banking AG</li> </ul> <p>On the RFQ Trading Protocol: As agreed between the Parties</p>	<p>On the CLOB: The Participant must have an account (whether direct or indirect) at an ICSD for the settlement of SFTs.</p> <p>On the RFQ Trading Protocol: As agreed between the Parties</p>	<p>Classic Repo Orders and Buy/Sell Back Orders on Corporate Bonds and Securities Lending Orders, each as available on BrokerTec</p>	<p>TARGET Business Days</p>

## Annex 2

### Allocation Band

All GC Securities except Italian Government Bonds and Supranationals:

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

GC Securities denominated in Italian Government Bonds and Supranationals:

Nominal Value (million)	Maximum no of Securities Financing Securities
25 - 74	5
75 - 124	10
125 - 499	20
≥ 500	30

## Annex 3

### Error Trade Resolution Policy

#### 1. Objective

- 1.1. This Policy is issued pursuant to the BrokerTec EU RM Rulebook, the Product Appendix: Securities Financing 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 Securities Financing Transactions offered on BrokerTec.
- 1.2. In the event of conflict between the BrokerTec EU RM Rulebook, the Product Appendix: Securities Financing, the Operational Parameters Annex and the Agreements, the following order of precedence shall apply to the extent of any inconsistency: 1. Operational Parameters Annex; 2. this Policy; 3. the Product Appendix: Securities Financing; 4. the Rulebook; and 5. the Agreements.

#### 2. Additional definitions

- 2.1. In this Policy, the following words and expressions have the following meanings:
  - 2.1.1. "Deal" means a contract (or to the extent that the two Participants are the same legal entity, a non-contractual interbranch arrangement) between two Participants for the sale of an amount of one Product in consideration for the purchase of an amount of the same Product.
  - 2.1.2. "Error" has the meaning given to it in paragraph 4.1.3 of this Policy.
  - 2.1.3. "Error Trade" means any Securities Financing Transaction determined to be "inconsistent" in accordance with paragraph 3.3 of this Policy.
  - 2.1.4. "Quote" means for a Participant to express a limit price (or better) at which it is willing to transact in a Product. Quotes can be Bids or Offers-.
  - 2.1.5. All other capitalised terms used in this Policy shall have the meaning ascribed to them in the Rulebook and Product Appendix: Securities Financing.

#### 3. Error trades — transaction cancellation procedure for CLOB trading

##### 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 **15 minutes** of the execution of a Relevant Transaction. For the avoidance of doubt, a Review Request received by the Operator within 15 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 15 minute timeline. Participants agree that this Error Trade Policy cannot be invoked for any Review Request received later than 15 minutes from the time of execution. Subject to the foregoing, the Operator shall inform the counterparty involved as soon as reasonably practicable. Any Review Request received later than 15 minutes from the time of execution shall be treated as a validly received Cancellation Request.

##### Step 1: Application of Cancellation Request Process

- 3.2. On receiving a Review Request, the Operator shall first seek to obtain agreement of the counterparties to the Relevant Transaction to cancel the Relevant Transaction in accordance with the Cancellation Request terms of the Rulebook. In the event that the counterparties do not agree to that cancellation, the participant that submitted the

Review Request can choose to progress to Step 2: Survey of Participants, as set out below. In the event that the counterparties do not agree to cancel the Relevant Transaction, the participant that submitted the Review Request can choose to progress to Step 2: Survey of Participants, as set out below.

## Step 2: Survey of Participants

- 3.3. In the event that a Participant validly submits a Review Request in accordance with Step 1, and has chosen to progress to Step 2 under paragraph 3.2 of this Policy, the Operator shall, in accordance with the procedure set out herein, verify whether the Relevant Transaction was executed at a SFT Rate which is "inconsistent" with the market value at the time of execution. To be "inconsistent" with the market value, the price at which the Relevant Transaction was executed must have been a SFT Rate outside the bid/offer spread on a specific Eligible Instrument at the time of execution of the Relevant Transaction, calculated as set out below.
- 3.4. In order to calculate whether the Relevant Transaction is outside the then current bid/offer spread, the Operator will request that no less than five (5) Participants (excluding the counterparties to the Relevant Transaction) (the "**Surveyed Participants**") provide a two-way inter-dealer quote for the relevant Eligible Instrument at the time of execution of the Relevant Transaction.
- 3.5. Where the Relevant Transaction is within 30 minutes of the close of the Trading Day, the Operator shall attempt the survey described in paragraph 3.4 above on a best efforts basis only.
- 3.6. As soon as possible after the Operator's request, the Surveyed Participants shall be required to communicate their bid/offer (i.e. the quote of a two-way inter-dealer SFT Rate at the time of execution of the Relevant Transaction) to the Operator for that Eligible Instrument at that time.
- 3.7. In conducting the calculation, the Operator shall exclude the two-way inter-dealer quote with the widest bid/offer spread and average the remaining quotes in order to determine the average bid/offer spread.
- 3.8. 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.
- 3.9. In the event of exceptional circumstances (determined at the Operator's discretion), the Operator may (i) set aside any responses to the survey; and/or (ii) exercise its discretion in determining whether the Relevant Transaction is "inconsistent" with the market value, including where there are the following (without limitation):
  - 3.9.1. Abnormally high market volatility;
  - 3.9.2. Pending economic events (eg. release of Purchasing Managers' Index (PMI), Nonfarm Payroll (NFP) data or similar);
  - 3.9.3. Low or abnormal market liquidity (eg. due to market events or the Relevant Transactions being close to the end of the Trading Day); or
  - 3.9.4. Unavailability of appropriate Surveyed Participants, due (by way of example only) to a high number of Participants involved in the Relevant Transaction or where the Relevant Transaction is close to the end of the Trading Day.
- 3.10. The Operator, if so requested by both counterparties to the Relevant Transaction, may distribute the prices used in the calculation but not the names of the Surveyed Participants who provided the two-way inter-dealer quotes.
- 3.11. The Operator shall notify the counterparties to the Relevant Transaction whether or not the price at which the Relevant Transaction was executed is determined to be "inconsistent" (as defined in paragraph 3.3 of this Policy).

The Operator shall use its reasonable endeavours to notify the counterparties to the Relevant Transaction as soon as reasonably practicable.

- 3.12. If the Relevant Transaction is determined to be "inconsistent" under this paragraph, the counterparties shall promptly agree to the cancellation of the Relevant Transaction. The counterparties shall take all such action required to effect the cancellation of the Relevant Transaction. Failure by any Participant to comply with any instruction from the Operator to cancel, revise or reverse a Relevant Transaction is a material breach of the Rulebook and the Agreements.
- 3.13. The Participant responsible for submitting a Review Request that progresses to the Participant Survey under Step 2 of this Policy shall pay an administrative fee to the Operator of EUR 1,000 for each such Review Request.
- 3.14. In the event of any material dissatisfaction with the process involved in the Error Trade Policy, Participants may raise this with the Trading Venue Compliance team by emailing [TradingVenueCompliance@cmegroup.com](mailto:TradingVenueCompliance@cmegroup.com), or register a complaint in accordance with Rule 26 of the Rulebook.

#### **4. Error Trade Resolution Policy for RFQ trading**

- 4.1. The process of review of Transactions for Errors is as follows:
  - 4.1.1. If a Participant believes that any Deal in one or more Transactions was executed as a result of an Error, that Participant may request review of the Transaction.
  - 4.1.2. Upon receipt of a request for review of a Transaction, or if the Operator determines on its own initiative to conduct such a review, the Operator will review its records to determine if an Error occurred.
  - 4.1.3. The Operator may cancel or adjust the Transaction, as appropriate, if the review described in this paragraph 4 reveals that: a) BrokerTec made a material mistake or that a mistake occurred as a result of a malfunction in BrokerTec or by human error; or b) a Quote was incorrectly displayed and/or executed and/or reported (each of the foregoing, an "Error").
  - 4.1.4. If the review described in this paragraph 4 reveals that no Error occurred, the Operator will inform any person who requested the review that the Operator has determined that the Transaction was properly handled, the evidence supporting that determination, and that a cancellation or adjustment will not be made.
  - 4.1.5. The Operator will document in writing all requests for review of Transactions it receives, or any review on its own initiative, the time and manner in which it reviewed its electronic audit trail in response to the request or review on its own initiative, the outcome of that review, and the action or actions taken in response to that review.

#### Annex 4

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

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

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





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