

Systematic Internaliser Commercial Policy

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1. Purpose

Where Standard Chartered Bank ('SCB') is acting as a systematic internaliser ('SI'), in accordance with **Regulation (EU) No 600/2014 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018** ('EUWA 2018'), it is required, subject to certain conditions, to publish firm quotes. Where Standard Chartered Bank operates as an SI ('SCBSI') it can be identified by the Market Identifier Code (MIC): **STAN**. This Policy applies to such activity in 'Non-Equity Instruments' being bonds, derivatives and structured finance products that are traded on a UK trading venue (TOTV).

If you are a client of SCBSI and wish to trade against a firm quote in a Non-Equity Instrument that SCBSI has published, you may request to do so. However, to determine whether you are in fact able to trade against a particular quote the SCBSI may apply its 'commercial policy', which is made up of the factors set out in Section 3 below.

2. Definition of Firm Quotes

Firm quotes are executable prices provided by any means (voice, chat or electronic) by an SI, outside of a trading venue, on a given financial instrument that guarantees a bid or ask price up to the amount quoted, without negotiation. Indicative quotes that are provided for information but that are not actionable are not firm quotes and therefore are not published or otherwise communicated to clients other than the client for which it is intended.

Note that the SCBSI is only required to publish or to give access to quotes where:

- SCBSI is a SI on the Non-Equity Instrument either due to its activities reaching the SI determination thresholds or because it opted-in for the SI regime on a voluntarily basis;
- SCBSI is prompted for a quote by a client outside a trading venue and agrees to provide a firm quote;
- The transaction for which SCBSI provide the firm quote is not exempted for the purposes of **EUWA 2018** pre-trade transparency (e.g. certain central banks transactions);
- The size of the quote provided is below or equal to the Size Specific To the financial Instrument (SSTI);
- There is a liquid market for the Non-Equity Instrument;
- The Non-Equity Instrument is TOTV;
- The FCA has not granted a waiver for the Non-Equity Instrument or suspended pre-trade transparency for that Non-Equity Instrument.

3. Access Criteria

The 'Access Criteria' below set out the factors that an SCBSI may take into account when determining whether a client (the 'Requesting Client') should be given access to a published firm quote already provided to another client (the 'Original Client'). In addition, firm quotes will only be made available to eligible requesting clients in the same instrument as that requested by the Original Client.

These criteria will be applied in an objective and non-discriminatory manner.

If you are a Requesting Client, an SCBSI may decline to trade with you at the published quote where any of the following apply:

1. **General Account Opening Criteria**
You cease to meet SCBSI's general account opening criteria including having obtained and provided to SCBSI a Legal Entity Identifier (LEI);
2. **Trade Size**
You ask for a price in respect of a different trade size to the Original Client.
3. **Credit Profile**
The SCBSI's internal assessment of your creditworthiness differs from that of the Original Client.

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4. Pricing of Cleared vs. bilateral / un-cleared derivative transactions
A firm quote provided to an Original Client in respect of a transaction in a derivative which is intended to be cleared may not be available to you if you intend to enter into a transaction in the same derivative on a bilateral / un-cleared basis.
5. Derivative Transactions to be cleared on different CCPs
A firm quote provided to an Original Client in respect of a transaction in a derivative that is intended to be cleared at one CCP may not be available to you if you intend to enter into a transaction in the same derivative that is to be cleared at another CCP.
6. Contractual Agreement Terms
A firm quote provided to an Original Client in respect of a transaction in a Non-Equity Instrument that is subject to particular contractual terms under the relevant master agreement (e.g. ISDA) and/or collateral agreement (e.g. CSA) may not be available to you if a similar transaction between SCBSI and you would be subject to differing contractual terms, which may or do affect trade economics, credit profile, settlement risk or any other objectively measurable economic or risk parameter.
7. Timing of Quote
A firm quote in respect of a transaction in a Non-Equity Instrument may be considered stale, and thus no longer executable, if it is traded upon by either the Original Client or the Requesting Client, or market conditions change or with the lapse of time taking into account the liquidity and characteristics of the market for the Non-Equity Instrument in question. The treatment of requests from the Original Client and any Requesting Clients will be in accordance with Standard Chartered Bank's disclosures on Order Handling, which can be found on our [corporate website](#) and may be updated from time-to-time.

In addition, and notwithstanding that an SCBSI may continue to make quotes public, SCBSI may be unable to execute transactions in a Non-Equity Instrument with certain clients where applicable legal or regulatory restrictions prevent it from doing so.

SCB may update Firm quotes at any time and under exceptional market conditions retains the right to withdraw quotes based on the prevailing market conditions.

SCBSI may limit the total number of transactions it undertakes to enter at the published conditions in relation to Non-Equity Instruments in a manner that is objective and consistent with its risk management policy. The maximum number of total transactions entered at the published price is set to one. The maximum number of transactions is also subject to the availability of sufficient inventory, e.g. in the case of bonds.

4. Mechanism for Publishing and Accessing Quotes

SCBSI quotes will be made public via Bloomberg's ShowQuote application.

If you are interested in trading against a published quote, please use your usual method of communication to contact your SCB salesperson or trader to make a request. To identify the relevant quote, please provide the Quote ID specified against the published quote.

Your salesperson or trader will determine whether that published quote is available to you in accordance with the Access Criteria section above. If not, you may be offered an updated quote, which may in turn be published by SCBSI, if necessary to comply with its obligations.