

**With effect from 29 March 2022**

# **ABN AMRO Bank N.V. Commercial Policy Systematic Internaliser – Bonds & Derivatives**

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This Commercial Policy must be read in conjunction with the applicable Terms of Business of ABN AMRO Bank N.V. (as amended, supplemented or restated from time to time). Terms used but not defined in this Commercial Policy, shall have the meaning given to them in the Terms of Business.

## Part I: About this policy

### 1. Background, scope and purpose

- 1.1. MiFID II defines a systematic internaliser as an investment firm which, on an organised, frequent, systematic and substantial basis, deals on own account when executing client orders outside a regulated market, a multilateral trading facility or an organised trading facility without operating a multilateral system. The definition of a systematic internaliser shall apply only where the pre-set limits for a frequent and systematic basis and for a substantial basis are both crossed or where an investment firm chooses to opt-in under the systematic internaliser regime.
- 1.2. ABN AMRO is a systematic internaliser for bonds and certain derivatives and has notified the AFM accordingly.
- 1.3. This Commercial Policy lays down (a) client acceptance criteria, (b) criteria that apply if and when ABN AMRO SI gives Clients access to quotes, and (c) the terms and conditions that apply if and when Clients want to trade against a certain quote.

## Part II: About these terms

### 2. Definitions and interpretation

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

**ABN AMRO, we, us, our**

means or refers to ABN AMRO Bank N.V. and any successor.

**ABN AMRO SI**

means ABN AMRO Bank N.V. acting in its capacity as a Systematic Internaliser.

**AFM**

Stichting Autoriteit Financiële Markten.

**APA**

means Approved Publication Arrangement as defined

in Article 4(1)(52) of MiFID II, as implemented in the Applicable Rules.

**Applicable Rules**

means (without any limitation) (a) the Financial Supervision Act ('Wet op het financieel toezicht') and any act, decree, order or resolution in relation thereto; (b) the rules of AFM, DNB, ECB or other competent regulatory authorities or institutions; (c) the regulations or rules of any EU institution (e.g. the European Commission) or any EU authority (e.g. the European Securities and Markets Authority); (d) the rules and customs of any exchange, market, Trading Venue, clearing house or depository through which any Transaction may be effected, cleared or settled, (e) any rules, codes of conduct or regulations that may be issued by ABN AMRO from time to time and (f) all other applicable laws, regulations, rules or guidance, in each case in force from time to time.

**Bloomberg APA**

means Bloomberg Data Reporting Services Limited, a limited company incorporated in Amsterdam authorised and regulated by the UK Financial Conduct Authority, reference no. 787060.

**Bonds**

means (a) sovereign bonds, (b) other public bonds, (c) convertible bonds, (d) covered bonds, (e) corporate bonds and (f) other bonds.

**Client**

means a client of ABN AMRO Bank N.V.

**Commercial Policy**

means this commercial policy (as amended, supplemented or restated from time to time).

**Derivatives**

means Foreign Exchange (FX) Derivatives and Interest Rate Derivatives.

**ESMA**

means the European Securities and Markets Authority.

**FX Derivatives**

means (a) FX Forwards and (b) FX Swaps.

**Interest Rate Derivatives**

means (a) Bonds futures/forwards, (b) Bonds

options, (c) Interest Rate Futures & FRAs, (d) Interest Rate Options, (e) Fixed to Fixed Single Currency Swap, (f) Fixed-to-Float Single Currency Swaps (g) Float-to-Float Single-Currency Swaps, (h) Single Currency Overnight Index Swaps (OIS) and (i) Cross Currency Swap.

#### **MiFID II**

means Directive 2014/65/EU on markets in financial instruments.

#### **MiFIR**

means Regulation (EU) No 600/2014 on markets in financial instruments.

#### **Package Order**

means a package order as defined in Article 2(49) (b) of MiFIR.

#### **RFQ Client**

means a Client that requests ABN AMRO SI to provide a quote for a certain Bond or Derivative.

#### **Systematic Internaliser**

means a systematic internaliser as defined in Article 4(1) (20) of MiFID II, as implemented in the Applicable Rules.

#### **Terms of Business**

Means the Terms of Business for Professional Clients and Eligible Counterparties.

- 2.2. Headings are included for convenience purposes only and do not have or intend to have a legal meaning or legal effect on their own.
- 2.3. Unless the context requires otherwise, words in the singular shall include the plural and words in the plural shall include the singular.
- 2.4. Any reference to a person shall be construed, as the context requires, as a reference to a natural person or a reference to a legal entity.
- 2.5. Without prejudice to the Applicable Rules, ABN AMRO may provide you with information in paper format, by e-mail or by posting information on a website. ABN AMRO shall notify you of any changes to the information we have provided.

### **3. Conflicting terms**

- 3.1. In addition to this Commercial Policy, Supplemental Terms may apply for certain services, orders or transactions between you and

ABN AMRO (including, for the avoidance of doubt, any of its branches). In case of a conflict between this Commercial Policy and any Supplemental Terms, the latter shall prevail.

- 3.2. In case of a conflict between this Commercial Policy, the Terms of Business and any Supplemental Terms on the one hand and any of the Applicable Rules on the other hand, the latter shall prevail. In this respect, ABN AMRO may (at its sole discretion) take or refrain to take such decisions or actions as it considers fit in order to comply with any of the Applicable Rules.

## **Part III: About our client acceptance criteria**

### **4. Client acceptance for Bonds and Interest Rate Derivatives**

- 4.1. With respect to Bonds and Derivatives, ABN AMRO SI uses the following criteria an objective and non-discriminatory way to consider (i) a request to become a Client or (ii) to discontinue an existing business relationship with a Client:
  - a) whether the applicant has been accepted in accordance with ABN AMRO's client acceptance criteria;
  - b) whether the applicant has been classified as a Non-professional Client, Professional Client or as an Eligible Counterparty;
  - c) whether the applicant has provided its valid legal entity identifier (LEI) (if applicable);
  - d) whether the applicant has accepted (if applicable): the Product Intake Form, Terms of Business and/or any Supplemental Terms;
  - e) whether the applicant has passed the knowledge and competence test (if applicable);
  - f) whether there are acceptable collateral agreements with the applicant (i.e. de Algemene Bepalingen Derivatentransacties);
  - g) the credit status of the applicant;
  - h) the counterparty risk of the applicant; and
  - i) the (proposed) final settlement of a transaction.
- 4.2. For the avoidance of doubt, any termination, cancellation or suspension of ABN AMRO's services under the Terms of Business or any Supplemental Terms will equally affect ABN AMRO SI's services to a Client.

## Part IV: About our quotes and access to quotes

### 5. Communication channels and APA

- 5.1. With respect to Bonds and Interest Rate Derivatives, Clients may use the following communication channels with ABN AMRO SI for requests for quote, Orders or other communications:
- Bloomberg Chat;
  - Telephone; and
  - E-mail.
- 5.2. With respect to FX Derivatives, Clients may use the following communication channels with ABN AMRO SI for requests for quote, Orders or other communications:
- Bloomberg Chat;
  - Dealstation Next (ABN AMRO platform);
  - FXALL;
  - 360T;
  - FX API;
  - Reuters Dealing;
  - Franx GUI;
  - Telephone; and
  - E-mail.
- 5.3. With respect Interest Rate Derivatives and Bonds, ABN AMRO SI shall make public firm quotes only through MarketAxess APA for Interest Rate Derivatives and Bloomberg APA for Bonds.
- 5.4. For the avoidance of doubt, ABN AMRO SI is not required to publish or give access to quotes:
- in sizes above the size specific to the financial instrument as detailed in Article 18(10) of MiFIR; or
  - subject to Article 9.2 below, in Bonds or Derivatives for which there is not a liquid market according to ESMA or a Competent Authority.

### 6. Meaning of quotes

A quote provided by ABN AMRO SI is a tradeable quote established by normal market practice, including all the product features or other components of the quote such as the counterparty risk or liquidity risk.

### 7. Validity of quotes for Bonds

- 7.1. Unless stipulated otherwise, ABN AMRO SI's quotes for Bonds remain valid for a period of 3 (three) seconds.
- 7.2. Each of the quotes referred to in Clause 9 and Clause 10 may be updated at any time by ABN AMRO SI. Under exceptional market conditions ABN AMRO SI may withdraw certain or all quotes.

### 8. Validity of quotes for Derivatives

Unless stipulated otherwise, ABN AMRO SI's quotes for FX Derivatives remain valid for a period of maximum 5 (five) seconds and ABN AMRO SI's quotes for Interest Rate Derivatives remain valid for a period of 2 (two) seconds.

### 9. Quotes for liquid Bonds and Derivatives

- 9.1. In respect of Bonds and Derivatives for which there is a liquid market according to ESMA or a Competent Authority, ABN AMRO SI shall make public firm quotes if and when (i) ABN AMRO SI is prompted for a quote by a RFQ Client, and (ii) ABN AMRO SI agrees to provide a quote.
- 9.2. If a Bond or Derivative falls below the liquidity threshold determined in accordance with Article 9(4) of MiFIR, ABN AMRO SI shall no longer be required to publish a firm quote for that Bond or Derivative.
- 9.3. ABN AMRO SI shall make the firm quotes, published in accordance with Clause 7 and 8, available for trading to other Clients ("Access Clients"), subject to the following access criteria:
- market factors including:
    - price movement in the relevant Bond since the timing of the published quote;
    - price movement in the relevant markets since the timing of the published quote;
    - trade size of the published quote and the trade size requested by the Access Client;
    - the published quote is no longer tradeable as a result of the lapse of time or change in market conditions;
  - inventory and capital factors including:
    - ABN AMRO SI's inventory or risk position in the relevant Bond;
    - ABN AMRO SI's overall funding and capital costs;
  - commercial factors including:
    - credit profile of the Access Client;
    - business relationship with the Access Client;These criteria will be applied in an objective and non-discriminatory way. In addition, ABN AMRO SI may be unable to execute transactions in Bonds with certain Clients under or pursuant to the Applicable Rules.

### 10. Quotes for illiquid Bonds and Derivatives

- 10.1. In respect of Bonds and Derivatives for which there is not a liquid market according to ESMA or a Competent Authority, ABN AMRO SI shall only

disclose quotes to RFQ Clients on request, if ABN AMRO SI has agreed to provide a quote to a RFQ Client.

- 10.2. In order to protect itself against undue risk, however, ABN AMRO SI has obtained a waiver of the obligation to disclose the provided quotes on request to Clients from the AFM.

## 11. Quotes for package orders

- 11.1. ABN AMRO SI shall only comply with requests for quote in relation to a Package Order if and when ABN AMRO SI is a Systematic Internaliser in all components of the Package Order.
- 11.2. Clause 9 shall only apply in respect of Package Orders if and to the extent that all components are Bonds or Derivatives for which there is a liquid market according to ESMA or a Competent Authority.
- 11.3. Clause 10 shall only apply in respect of Package Orders if and to the extent that at least one component is a Bond or Derivative for which there is not a liquid market according to ESMA or a Competent Authority and the Package Order as a whole does not have a liquid market according to ESMA or a Competent Authority.

## 12. Orders based on quotes

For each quote that ABN AMRO SI has provided to a Client, ABN AMRO SI is willing to execute one (1) Order based on such quote. ABN AMRO SI may, in its sole discretion, accept or refuse any additional Orders based on such quote.

## Part V: About amendments and governing law

### 13. Availability and amendments

- 13.1. This Commercial Policy is made available to Clients on the following website of ABN AMRO: The Commercial Policy is made available to Clients, check [this link](#) for more details.
- 13.2. This Commercial Policy may be amended or supplemented by us from time to time.
- 13.3. Any updated version will be made available on above mentioned website.

### 14. Governing law

- 14.1. This Commercial Policy and any non-contractual obligations arising out of or in connection with this Commercial Policy are governed by, and shall be construed in accordance with, the laws of The Netherlands.

- 14.2. For our benefit, you irrevocably submit to the jurisdiction of the courts of Amsterdam, The Netherlands, which shall have jurisdiction to settle any disputes (including non-contractual disputes) which may arise out of or in connection with the validity, effect, interpretation or performance of this Commercial Policy and you waive any objection to proceedings in any such court on the grounds of inconvenient forum.

- 14.3. The submission made in Clause 14.2. shall not prevent us, in our sole discretion, from taking proceedings to any other courts competent jurisdiction, whether in The Netherlands or not, through our website: [https://www.abnamro.nl/en/Order Execution](https://www.abnamro.nl/en/Order%20Execution)). Amendments may take effect immediately.

ABN AMRO Bank N.V., gevestigd te Amsterdam.  
Handelsregister K.v.K. Amsterdam, nr 34334259.

0900 - 0024

(For this call you will be charged your usual call fee.  
Your telephone provider determines these costs).

**abnamro.nl**