



# EquiLend Europe Limited MTF Rulebook

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#### **Legal Information**

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## **1 Definitions**

“Acceptance” means when an Applicant has been reviewed and confirmed by the Firm to be a suitable Applicant

“Algorithmic Trading” means automated determination and management of indications with limited human intervention relating to a trade effected through the MTF as defined in MiFID.

“Applicable Law” means all applicable laws, regulations and regulatory requirements (including any guidance, indications, or other technical updates) for which Participant is governed by, and or subject to.

“Applicant” means a Firm applying to become a Participant of the MTF.

“Approval” means when an Applicant has been confirmed by the Firm to be an Authorised User.

“Assets” or “Client assets” means assets of any type held or received for or from a Participant.

“Authorised User” means employees or agents (of Participants) who are authorised by the Participant to access or use the Platform on Participant’s behalf.

“Bid” means when a borrower sends an offer to a lender indicating shares / quantity (as appropriate) and rate of a particular security

“Bilateral Agreement” means an existing contractual relationship (such as a securities loan agreement or International Swaps and Derivatives Association agreement) between Participants of the MTF (and counterparties) with which a Participant wishes to enter into any such Transaction, which contractual relationship shall govern the rights and obligations between Participant and such counterparty in connection with such Transaction.

“Breach” means a violation or an infraction of the MTF Rulebook or Applicable Laws.

“Central Counterparty” or “CCP” means a central organisation that exists in various countries that helps facilitate (Clearing and Settlement) trading.

“Clearing” means the procedure by which an organisation acts as an intermediary and assumes the role of a buyer, or seller for transactions in order to reconcile indications between transacting parties.

“Client Profile Form” means the document completed by Participant during New Client Due Diligence procedures detailing Participants relevant business and regulatory information requested by EquiLend.

“Collateral Financing Transaction” means any transaction where counterparties use the Platform for trade structures related to collateral upgrades or downgrades

“Complaint” means an expression of dissatisfaction for an act, omission or decision of EquiLend, either verbal or written, and whether justified or not, which requires a response and/or redress from EquiLend.

“Core Services” means all services provided to Participants save for those provided in relation to Collateral Financing Transactions

“Counterparty” or “Counterparties” means a party that participates in a financial transaction.

“Data quality” means the level of the quality of data sent to the MTF.

“EEA” means the European Economic Area.

“Electronic Trading Platform” means trading and operations platform supporting Securities Financing Transactions (including all software and computer and network systems operated by or on behalf of EquiLend).

“Eligible Counterparty” means a client which is an investment firm, a credit institution, an insurance company, a collective investment scheme authorised under the UCITS Directive (as enacted in accordance with the European Union (Withdrawal) Act 2018) or its management company, other regulated financial institutions and, in certain cases, other undertakings to which a credit institution or an investment firm provides the services of reception and transmission of orders on behalf of Participants and/or execution of such orders and/or dealing on own account, as defined in FCA COBs 3.6.

“EquiLend” means EquiLend Europe Limited, operator of the MTF.

“ERPA” means an error payload message which is issued by the MTF when non-conforming data is submitted in a Message.

“Error Trade” means an erroneous, or invalid loan on the MTF, as indicated in the protocol documents.

“FCA” means the Financial Conduct Authority, the financial regulatory body in the United Kingdom.

“FCA Rules”, “FCA COBs” means the FCA Handbook, Rules and Guidance and any other similar items in force from time to time.

“Firm” means EquiLend Europe Limited.

“Financing Transaction” means either a Securities Financing Transaction, a Collateral Financing Transaction, or a TRS Transaction.

“Indication” means the information submitted by the Participant to the MTF representing a Bid or Offer. Once accepted by one of the two Counterparties, this will form a binding Transaction.

“Information” means data, pricing, research and other information made available over the MTF to Participants in relation to instruments admitted to trading on the MTF.

“Insolvency Event” means the occurrence of any of the following circumstances with respect to a Participant: (a) a voluntary arrangement or composition or reconstruction of its debts; (b) the presentation of an administration petition; (c) its winding-up or dissolution; (d) the appointment of a liquidator, trustee, receiver, administrative receiver or similar officer; (e) a voluntary or involuntary petition for a bankruptcy order; or (f) any similar action, application or proceeding in any jurisdiction under Applicable Law to which it is subject, provided that in the case of any proceeding instituted against the Participant.

“Instrument” means an eligible Instrument that can be traded on the Platform in accordance with the Instrument Traded Rules.

“ISIN” shall mean International Securities Identification Number being the code that uniquely identifies a specific securities issue.

“LEI” shall mean Legal Entity Identifier, a unique identifier for persons that are legal entities or structures subject to transaction reporting obligations.

“Loan” means a contract entered into where a lender supplies securities that have been bi-laterally agreed upon.

“MAR”, “Market Conduct Requirement” means the EU Market Abuse Regulation ((EU) No 596/2014) (as enacted in accordance with the European Union (Withdrawal) Act 2018), and FCA Market Conduct

Chapter 5, outlining the requirements for operating a Multilateral Trading Facility.

“Matched” means when a Participants Indication is allocated against another Participant Indication based on the criteria detailed in the Message.

“Market Abuse” means any behaviour that represents: Insider dealing (trading), Unlawful disclosure; Manipulating transactions; Dissemination or any other similar prohibited behaviours under the Applicable Law.

“Message” means any electronic indication request, response, instruction or similar communication from a Participant into the MTF.

“MiFID” means the European Parliament and Council Directive on Markets in Financial Instruments (No. 2014/65/EU) (as enacted in accordance with the European Union (Withdrawal) Act 2018).

“MiFIR” means the European Markets in Financial Instruments and amending regulation ((EU) No 600/2014) (as enacted in accordance with the European Union (Withdrawal) Act 2018).

“Money” or “Client money” means money of any currency (whether in the form of cash, cheque, draft or electronic transfer) which the Firm holds or receives for or from a Participant.

“MTF” means (i) a Multilateral Trading Facility as defined in article 4 1(22) of MiFID and (ii) the Multilateral Trading Facility provided by EquiLend, for which its Participants use as a means to effect Financing Transactions.

“Non-Disclosure Agreement” means the legal agreement between EquiLend and a Participant outlining the confidentiality obligations of each party.

“Offer” means a show of securities or securities type to a borrower from a lender for a particular security at a specific set of trade attributes.

“Organisation Administrator” means the individual assigned by a Participant whose responsibilities are defined in the User Agreement, and whom is specified to the Firm on the New Client Profile Form.

“Participate”, “Participation” means for Participant to effect Financing Transactions on the MTF

“Participation Admittance” means to be granted access to for continuous use of the MTF for Participation.

“Participation Criteria” means the qualifying criteria required of Participant to become, and continue to be qualified as, an authorised Participant on the MTF.

“Participant” means a firm / entity authorised by EquiLend to participate on the MTF.

“Platform”, or the “MTF” means the electronic trading and operations platform supporting Financing Transactions (including all software and computer and network systems) operated by or on behalf of EquiLend.

“Professional Client” means a client who is required to be authorised or regulated to operate in the financial markets and who possesses the experience, knowledge and expertise to make its own investment decisions and assess the risks that it incurs, as defined in FCA COBs 3.5 and Annex 2 of MiFID.

“Reference Securities” shall mean the reference securities underlying a Swap.

“Regulatory Authority” means the regulatory body for which Participant is registered with and approved by, and conducts oversight for its prescribed rules which Participant is subject. The regulatory body that Participant has expressed to EquiLend in both the User Agreement and in

the New Client Profile Form, as their regulatory oversight authority and have provided the relevant registration information for.

“Rules” means the rules and provisions set forth in this MTF Rulebook.

“Rulebook” means EquiLend’s most current, and effective MTF Rulebook, maintained by EquiLend and prescribed in accordance with the FCA’s rules and relevant regulation.

“Securities Financing Transaction” means any transaction where securities are used to borrow or lend cash, or cash equivalent, to include repurchase agreement (repos) securities lending activities.

“Settlement Function” means a business process whereby securities or interests in securities are delivered, usually against a payment of money, to fulfil contractual obligations.

“SFTR” means Regulation (EU) 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (as enacted in accordance with the European Union (Withdrawal) Act 2018).

“Swap” or “Swaps” means security-based Total Return Swap transaction(s).

“Swap Buyer” means the counterparty to a Swap that receives from the Swap Seller a return based on the Reference Securities.

“Swap Segment” means the segment of the MTF having a separate MIC Code where TRS Transaction activity is facilitated.

“Swap Seller” means the counterparty to a Swap that pays to the Swap Buyer a return based on the Reference Securities.

“Term Sheet” means an electronic term sheet generated through the Platform relating to a Swap.

“Total Return Swap”, “TRS” means an agreement where cash flows are exchanged between Counterparties with one counterparty making/receiving payment based on the performance of underlying Reference Securities and the other party making/receiving payment based on a fixed or floating amount.

“Trading Day” means the time for which the MTF is open, meaning Participants are permitted use of the MTF for its Financing Transaction activities.

“Transactions” means a trade effected via the MTF to which Participant is a counterparty.

“User Agreement” means the written agreement setting forth the terms and conditions required to be agreed to and signed by EquiLend and each such Participant.

“Users Bilateral Agreement” means Participants pre-existing bilateral agreement in effect with other participants of the MTF.

“User ID” means the password and identification criteria distributed to each Authorised User to act on the MTF on behalf of the Participant.

## **2 Introduction**

- 2.1 This MTF Rulebook sets forth the regulatory requirements reflecting the FCA Rules, the FCA Good Practice Observations and MAR for the transparent and non-discretionary rules and procedures of EquiLend, a private limited company in the United Kingdom, and MTF operator.
- 2.2 This Rulebook sets forth the Firm's policies and procedures to ensure Participants behaviour on the Firm's MTF is consistent with its fair and orderly trading requirements.
- 2.3 EquiLend is an FCA authorised firm permitted to provide certain regulated products and services and carry on certain regulated activities as indicated by the FCA. Participants are required to read, understand and abide by this Rulebook for permitted access to and continued use of the Firm's MTF product and supporting systems it offers.
- 2.4 These Rules have been established to facilitate the efficient, fair and orderly operation of the MTF and to satisfy the Firm's FCA related regulatory obligations.
- 2.5 These Rules are applicable to each Participant, including all individuals operating on behalf of Participant, having access to and / or use of the MTF, to include each Authorised User or Participant having access to and / or use of the MTF.
- 2.6 These Rules are intended to act as a supplement to, and are not to be accepted as superseding, the User Agreement
- 2.7 In any instance whereby there is a conflict between the Rulebook, including any supplementary documentation relating to the Rulebook, and the User Agreement, in all cases the terms set forth in the User Agreement shall prevail.
- 2.8 Participants continued use of, including Participation on the MTF, will be considered as Participants agreement to abide by these MTF Rulebook Rules.

## **3 Participation**

- 3.1 An Applicant may apply to the Firm to become a Participant at any time.
- 3.2 Participation on the MTF is dependent upon Participant;
  - 3.2.1 Agreeing and signing to the terms set forth in the User Agreement;
  - 3.2.2 Continuously satisfying the Participation Criteria;
  - 3.2.3 Agreeing to read, understand, and abide by the MTF Rulebook, and will be considered as doing so upon accessing and using the Platform.
- 3.3 The Firm is permitted to reject Applicant if:
  - 3.3.1 The Applicant fails to agree the terms disclosed in and sign to the User Agreement;
  - 3.3.2 The Applicant fails to satisfy the Participation Criteria.



- 3.4 EquiLend may terminate access and use of the MTF to any Participant in accordance with the terms set forth in the User Agreement.
- 3.5 Upon Acceptance, EquiLend will provide to Applicant a User Agreement and Client Profile Form for review and execution.
- 3.6 Upon execution of the User Agreement, satisfying client onboarding requirements and classification as an Eligible Counterparty or Professional Client, a Participant can operate immediately on the MTF.
- 3.7 EquiLend may prescribe further Participation Criteria from time to time with regard to Participation.

#### **4 Participation Criteria**

- 4.1 Participation Admittance is contingent on Participant meeting the following Participation Criteria

All Participants are required to be entities:

- 4.1.1 That operate in the Securities Financing marketplace or Collateral Financing marketplace
- 4.1.2 That are classified by the Firm as either an Eligible Counterparty or Professional Client as defined in the FCA Rules;
- 4.1.3 Whose conduct of Securities Financing Transactions or Collateral Financing Transactions is subject to a level of regulation and oversight (under applicable securities, banking or other appropriate law) that imposes upon Participants a combination of requirements such as audits, public disclosure of financial information, capital rules, collateral requirements, record keeping requirements or other similar safeguards that will protect it and its owners and Participants from potential financial loss or third party claims that may arise as a result of such entity's Participation;
- 4.1.4 Who are fit and proper by standards of the FCA, or the applicable regulatory body;
- 4.1.5 Who have the financial and operational capacity to process the minimum transaction levels and meet technological, testing and connectivity requirements determined by the Firm;
- 4.1.6 Who have the resources to guarantee the adequate settlement of transactions with Participant's Counterparties;
- 4.1.7 That are approved by the Firm's Chief Compliance Officer following the completion of new client due diligence procedures.

Participants seeking access to the Swap Segment are in addition required to be entities:

- 4.1.8 That actively operate in the Swaps marketplace;
- 4.1.9 Whose conduct of Swap trading is subject to a level of regulation and oversight (under applicable securities, banking or other appropriate law) that imposes upon the Client a combination of requirements such as audits, public disclosure of financial information, capital rules, collateral requirements, record keeping requirements or other similar safeguards that will protect its owners and clients from potential financial loss or third

party claims that may arise as a result of such entity's interaction on the MTF;

- 4.1.10 Who have an existing contractual relationship, such as an International Swaps and Derivatives Association master agreement (each, a "Bilateral Agreement"), with each counterparty with which the Client wishes to enter into any such Swap, which contractual relationship shall govern the rights and obligations between the Client and such counterparty in connection with such Swap.
- 4.2 Participant must satisfy the Participation Criteria at all times.
- 4.3 Clients are required to hold a valid LEI and provide this to EquiLend at the time of signing the User Agreement and Client Profile Form. Clients are required to hold a valid LEI for so long as they interact on the MTF.
- 4.4 The Participant will agree that its access to and use of the MTF in any manner and for any purpose (including its entering into any Loans or TRS Transactions via the MTF) shall comply with the Applicable Law, to include all applicable state and foreign laws, rules, regulations and interpretations of any judicial, legislative, governmental, regulatory or self-regulatory authority or organisation of competent jurisdiction.

## **5 Services and Obligation**

The Firm will:

- 5.1 Operate an Electronic Trading Platform supporting Securities Financing Transactions and Collateral Financing Transactions and TRS Transactions.
- 5.2 Provide a service to Participants enabling Financing Transactions to be initiated through the MTF in which Participants will act as lender or borrower of securities to or from another Participant on the MTF, or as either Swap Seller or Swap Buyer.
- 5.3 Provide training for the MTF proportionate to the Participants usage needs. Such training will include functional and technical training as requested by the Participant.
- 5.4 Provide access to a secure testing environment whereby Participants shall undertake conformance testing, including in relation to systems and algorithms and seek assurance from Participants that such testing has taken place prior to the deployment of said systems and algorithms.
- 5.5 Permission an Organisation Administrator who will then be given rights to permission User ID's on behalf of Participant for Authorised Users.

The Firm will not:

- 5.6 Make any investment recommendations to Participant relating to the MTF, or otherwise.
- 5.7 Hold any Money or Assets on behalf of a Participant.
- 5.8 Hold itself (or be held) in any way responsible for any Participant's transaction reporting or regulatory disclosure obligations as arising under Market Conduct Requirements, MiFIR, MIFID, SFTR, or any other Applicable Law for Clients interacting on the MTF. For the avoidance of doubt, the Firm will be responsible for reporting transactions carried out on the MTF by third country firms (except where such firms are participating in the MTF through UK branches).

The Participant must:

- 5.8 Ensure the User ID provided to each Authorised User is kept confidential and used exclusively by the individual that User ID is designated for.
- 5.9 Ensure that the User ID details the individual's full legal name as it would appear on government issued ID and includes any other details as required by the Firm from time to time.

## **6 Fees**

- 6.1 Participant fees for Core Services are charged on a per Transaction basis using a tiered pricing model and agreed prior to on boarding.
- 6.2 Participant fees for Collateral Financing Transaction services are charged on a basis point per notional value basis to the recipient of the collateral upgrade.
- 6.3 Participant fees for TRS Transaction services are charged on a basis point per notional value basis.
- 6.4 In accordance with the User Agreement, the Firm will provide Participant with at least 60 calendar days' written notice when amending the fee schedule.
- 6.5 Participant acknowledges and understands their sole responsibility for determining whether any tax liability may arise from the Transactions they may effect through the Platform, and are responsible for applying for any relevant exemption from such taxes to the necessary bodies related to the Applicable Law. Participants are solely liable for the payment of any taxes in relation to their Transactions.

## **7 Participant Obligations**

- 7.1 Following Participation Admittance, it is the responsibility of the Participant to ensure the Participant continues to meet its obligations under the Participation Criteria and MTF Rules.
- 7.2 Participants are required to notify the Firm, in writing, of any material changes to information provided for on the Client Profile Form to their Relationship Management representative as soon as reasonable following detection of such changes.
- 7.3 Participant shall notify the Firm, in writing, the names of those individuals authorised by the Participant to be Authorised Users of the Platform. Participants are responsible for managing their Authorised Users and for notifying the Firm of any changes to their Authorised Users on an ongoing continuous basis.
- 7.4 Participant shall notify the Firm, in writing, of any Algorithms and requisite IDs the Participant employs to effect Transactions on the MTF during the on-boarding process. Participants must identify algorithms using a unique, consistent and persistent code and warrants that such IDs will be provided and formatted in accordance with MiFIR.
- 7.5 The Participant accepts that Algorithmic Trading or the use of algorithms in any form for the purpose of Algorithmic Trading are not permitted on the Swap Segment.
- 7.6 For the purposes of Participant's business clock synchronisation obligations under MiFID, the Firm permits Algorithmic Trading only in relation to Securities Financing Transactions and Collateral Financing Transactions.
- 7.7 Participants must, during Trading hours, monitor in real time all permitted Algorithmic Trading activity effected on the MTF for signs of disorderly trading. Such activity must be

undertaken by an Authorised User in charge of the Algorithmic Trading activity, by the risk management function, or by an independent risk control function established for the purpose of this provision. Such risk control function should be considered independent in so far as that function can challenge the Authorised User as appropriate and necessary within the Participants control framework. Participants must ensure that the Firm has, at all times, access to staff members in charge of real time monitoring.

- 7.8 Participant shall be responsible for obtaining, validating, issuing and renewing LEIs. Participant shall use LEIs appropriately for effecting Transactions on the MTF and shall warrant that LEIs are provided and formatted in accordance with MIFIR.
- 7.9 Participants shall use ISINs appropriately in effecting TRS Transactions on the MTF and shall warrant that ISINs are provided and formatted in accordance with MiFIR.
- 7.10 Participant is responsible for all the acts, omissions, conduct and activity of its Authorised Users.
- 7.11 Participant shall ensure its Authorised Users have sufficient training, are adequately supervised and have adequate experience, knowledge and competence to Participate on the MTF in accordance with the Rules.
- 7.12 Participant is responsible for complying with any security measures and procedures for authentication requested by the Firm from time to time and ensuring that only Authorised Users have access to the MTF.
- 7.13 Participant is required to have internal systems and controls in place to prevent erroneous Transactions and to ensure ongoing compliance with and to prevent breaches of Applicable Law.
- 7.14 Participants are responsible for maintaining records of their Indications, inventory lists(s), and Transactions in accordance with MiFID, MiFIR, and Applicable Law and in a manner adequate to meet compliance with regulatory record keeping obligations.
- 7.15 Participant shall co-operate with the Firm, the FCA and any other regulatory body during any investigation that is conducted in relation to its access to and activity on the MTF. Participant shall bear its own costs and expenses in connection with any such investigation and indemnify the Firm in full in respect of all costs and expenses reasonably incurred in connection with any investigation in so far as those costs relate to an investigation or any part of an investigation which relates to the Participants activity on the MTF except to the extent that any such costs arise as a consequence of fraud, negligence or wilful default of the Firm.

## **8 Participant Resignation and Termination**

- 8.1 Participant may terminate / resign their Access to the MTF at any time in accordance with the terms set out in the User Agreement.
- 8.2 Where a Participant has given notice of their intent to resign their Access to the MTF the Rules shall continue to bind the Participant until all outstanding obligations of the Participant, with respect to Transactions and the Rules, have been performed.

## **9 Trading Days**

- 9.1 The Firm will support the MTF for business between Monday (7am GMT) to Friday (5pm GMT). Notwithstanding anything to the contrary, unless otherwise notified by the Firm, Transactions effected on the MTF outside of the Trading Days are done so at the risk of the Participant.
- 9.2 EquiLend will give Participants suitable email notification of any change, where it has been practical to do so.

## **10 Trading Rules**

10.1 Participant is responsible for any Transaction effected through the MTF, including:

- 10.1.1 Entry into Bilateral Agreements;
- 10.1.2 Indication criteria and inventory List(s)
- 10.1.3 Indication acceptance, execution and allocation;
- 10.1.4 Clearing and Settlement.

### **Trading Authorisation**

- 10.2 An Authorised User is permitted by a Participant and EquiLend to operate on the MTF in accordance with the provisions of the User Agreement and the Rulebook. Participant shall, subject to the Agreement, have the right to submit Indications, inventory List(s) and TRS direction(s) in accordance with these Rules.
- 10.3 Each Participant is responsible for the accuracy of the information (including Data Quality) submitted to the MTF. Participants shall only submit Indications, inventory List(s) and TRS direction(s) to the MTF with the intention to enter into Transactions. Participant(s) accept and permit EquiLend to use all data submitted for the purpose of complying with the regulatory reporting obligations of the Firm as prescribed by MiFIR, MiFID, and all other Applicable Law.
- 10.4 In respect of each Indication, inventory list and TRS direction submitted, Participant represents that it has due capacity to settle any Transaction arising out of that submission.

### **Trade Cancellations and Trade Errors**

- 10.5 The MTF will not intervene, amend or cancel Messages, inventory list submissions, or TRS directions sent by a Participant to the MTF.
- 10.6 The MTF will, however, issue a Participant an electronic error payload message ("ERPA") if non-conforming data is submitted in a message.

### **Indications**

- 10.7 Participant shall only submit Indications with the intention of entering into a Transaction.
- 10.8 For each Indication submitted to the MTF, the Participant authorises the MTF to display such Indications on the Platform for execution and therefore, when executed, a binding Transaction is formed between Participants.
- 10.9 Any Indication submitted to the MTF may be amended or withdrawn prior to being executed on the Platform. Through the messaging function, once the Indication has been submitted the Indication may not be amended or withdrawn. Via the screens function, once a request has been submitted, the Indication may not be amended or withdrawn.
- 10.10 Any Indication not Matched at the close of a Trading Day shall be automatically cancelled.

### **Trading Protocol**

- 10.11 All Participants of the MTF are bound by the FCA rules, or the rules of the applicable

Regulatory Authority, in respect to trading conducted on the MTF. In particular Participants are prohibited from conducting any activity which would constitute any form of Market Abuse.

- 10.12 Due to the nature of the MTF, all EquiLend trading services should be considered MTF business. For the avoidance of doubt, Participants should consider all Transactions completed by use of the MTF to be conducted on the MTF, and therefore the MTF Rulebook Rules apply.

### **TRS Transactions**

- 10.13 10.13 Where Participants are contacted by EquiLend regarding execution of matches, in TRS Transaction (e.g. notional/reference price assets matches), EquiLend will treat responses (such as in relation to pricing) on a time-priority basis (i.e. the first participant to respond to the match will execute).
- 10.14 In relation to TRS Transactions, the Term Sheet will include the ISIN of the Swap, which ISIN will be used by the Firm in complying with its regulatory reporting requirements as prescribed by Applicable Law.
- 10.15 EquiLend relies on pre-trade transparency waivers in respect of transactions taking place within the Swaps Segment. All orders submitted will operate according to a pre-trade transparency waiver and no order interest submitted to the system will be permitted unless it is determined to be made in accordance with a waiver (either a derivatives waiver for derivatives not subject to the derivative trading obligation, or large in scale waiver).
- 10.16 Trades concluded on the Swap Segment are required to be made transparent by EquiLend pursuant to post-trade transparency requirements.
- 10.17 EquiLend defers post-trade disclosure in respect of activity on the Swaps Segment (as permitted by Article 21(4) of MiFIR) on the basis that the FCA considers the TRS traded on the MTF as illiquid and treats such swaps as falling within the illiquid deferral as set out in Article 8(1)(b) of RTS 2 pertaining to post-trade transparency.

## **11 Instruments Traded**

- 11.1 The Firm will provide services to Participants only as explicitly permitted by the FCA. A list of the Firm's current permissions may be found on the FCA's Financial Services Register public website (<https://register.fca.org.uk/>) by search of EquiLend Europe Limited in the "Search the Register" field.
- 11.2 The Firm is limited to providing services for the following investment types:
- 11.2.1 Certificates representing certain securities
  - 11.2.2 Contract for Differences (excluding a spread bet and a rolling spot forex contract)
  - 11.2.3 Debentures
  - 11.2.4 Government and public securities
  - 11.2.5 Rights to or interests in investment (Contractually Based Investments)
  - 11.2.6 Rights to or interests in investments (Securities)
  - 11.2.7 Shares
  - 11.2.8 Warrants

- 11.3 The Firm is permitted to operate an MTF for the following investment types:
- 11.3.1 Certificates representing certain securities
  - 11.3.2 Contracts for Differences (excluding a spread bet and a rolling spot forex contract)
  - 11.3.3 Debentures
  - 11.3.4 Government and public securities
  - 11.3.5 Rights to or interests in investment (Contractually Based Investments)
  - 11.3.6 Rights to or interests in investments (Securities)
  - 11.3.7 Shares
  - 11.3.8 Warrants
- 11.4 The FCA expressly permits the Firm provide services to Participants falling within FCA classification of either Eligible Counterparty or Professional Client.

## **12 Market Conduct**

- 12.1 Participant must not, under any circumstances:
- 12.1.1 Engage in any conduct which gives or is likely to give a false or misleading impression as to the market in, or the price of, any Instrument or which secures the price of one or several Instruments at an abnormal or artificial level;
  - 12.1.2 Engage in Market Abuse in relation to the Instruments traded;
  - 12.1.3 Engage in any conduct or activity on the MTF which will harm the integrity, fairness, orderliness or reputation of the MTF;
  - 12.1.4 Use the MTF to engage in any form of deceptive, manipulative, abusive practices or any other practices prohibited by Applicable Law;
  - 12.1.5 Breach or attempt to breach these Rules.

## **13 Participant Suspension and Termination From Access to the MTF**

The Firm will:

- 13.1 Terminate Participant access and use of the MTF in accordance with the User Agreement.
- 13.2 Suspend Participant access and use of the MTF in accordance with the User Agreement.
- 13.3 Suspend or terminate Participant access where Participant ceases to meet the Participation Criteria.
- 13.4 Suspend or terminate Participant access if it becomes apparent that Participant is subject to relevant enforcement or other proceedings by the FCA or any other regulatory body.
- 13.5 Suspend or terminate Participant access to the MTF if it becomes apparent to the Firm the Participant has Breached Applicable Law.

- 13.6 Suspend or terminate Participant access where the Firm considers that restriction, suspension or termination is necessary to ensure or maintain orderly trading on the MTF.
- 13.7 Suspend or take such action for any reason, including but not limited to , maintaining fair and orderly trading on the MTF or due to material technical or operational issues. Trading shall recommence, in accordance with the Rules, once the Firm determines that the suspension shall be lifted.

## **14 Post-Trade Process**

### **Output and Delivery**

- 14.1 Authorised Users will be notified by any Indication accepted on the MTF by electronic confirmation.
- 14.2 The configuration and method of delivery of these messages will depend upon the Participants system setting and method of connectivity to the MTF.
- 14.3 Each Transaction entered into by a Participant shall be settled on a Bilateral Agreement basis.
- 14.4 The Firm is not party to any Bilateral Agreement between Participants.
- 14.5 Each client is responsible for managing lifecycle events on the MTF in respect of open TRS Transactions.

### **Settlement**

- 14.6 Transactions are effected on a bilateral basis between the relevant Participants, creating rights and obligations between those Participants. The Firm shall not be a party to, or be responsible or liable to a Participant under or in connection with, any such Transaction.
- 14.7 Each Participant is responsible for the settlement of all transactions it executes on the MTF.
- 14.8 Each Participant must ensure it has the ability, including legal and regulatory capacity, to settle Transactions executed on the MTF.
- 14.9 The Firm will not connect with any Settlement facilities on behalf of the Participant.
- 14.10 The Firm is not responsible or liable for the Settlement of the Transactions effected by a Participant on the MTF. EquiLend will, however, provide or make available to each Participant the details of each transaction that the Participant effects on the MTF in order to facilitate the prompt settlement of these transactions by that Participant.
- 14.11 Each Participant must ensure that it has the ability, including legal and regulatory capacity, to settle such Transactions executed on the MTF.
- 14.12 Each Participant must ensure that every Transaction is settled in accordance with Applicable Law.
- 14.13 Each Participant shall notify the Firm promptly upon becoming aware of a failure by the Participant or any other Participant to settle any Transaction in accordance with Applicable Law and/or good settlement practice, as the case may be.
- 14.14 The Firm may terminate a Participant's rights to use the MTF in the event that it becomes aware a Participant fails consistently and systematically to deliver good settlement practice or otherwise in accordance with Applicable Law.



## **Clearing**

- 14.15 EquiLend is not responsible for any Clearing functions on behalf of the Participant.
- 14.16 All Transactions entered into by Participants on the MTF are cleared by each Participants proprietary clearing arrangements described in Users Bilateral Agreements. Given such arrangements, the order and fairness of trading is determined by the end Participant and not by the operation of the MTF.
- 14.17 EquiLend is not responsible or liable for the Clearing of Transactions effected on the MTF.
- 14.18 Where the MTF provides connectivity to a Central Counterparty (CCP) for Clearing, the Participant acknowledges, agrees and accepts to comply with the rules set out by the CCP.

## **Transaction Reporting**

- 14.19 Each Participant shall be solely responsible for any Transaction Reporting and/or filing requirements as may arise under Applicable Law in connection with the use of the MTF, to the extent that such Participant is registered in the UK or the UK branch of a registered firm.
- 14.20 EquiLend shall be responsible for any Transaction Reporting requirements relating to transactions carried out by third country registered firms only to the extent that it is required to do so under Applicable Law.
- 14.21 Each Participant shall be solely responsible for any SFTR reporting requirements as may arise under Applicable Law in connection with the Financing Transactions agreed using the MTF.

## **15 Document Library and Supporting Information**

- 15.1 The Firm maintains a closed library of MTF Rulebook supporting documents which may be provided to Participants upon written request to support@equilend.com (Attn: Compliance Department).

## **16 Compliance and Legal**

### **Complaints**

- 16.1 A Participant may wish to make a complaint to the Firm regarding:

16.1.1 The Firm's operation of the MTF

16.1.2 The conduct of another Participant using the MTF

- 16.2 Complaints can be made either orally or in writing to:

The Chief Compliance Officer  
EquiLend Europe Limited  
36th Floor  
One Canada Square  
London E14 5AA

### **Rulebook**

- 16.3 The Firm will conduct an annual review of the Rulebook to confirm all stipulations are consistent, reflecting relevant regulatory and legislative requirements of the Firm and its Participants.

Additionally, on an on-going continuous basis, the Firm will amend the Rulebook and its systems as necessary to reflect relevant changes at the time such changes may be identified.

- 16.4 Regulatory updates issued by the Regulatory Authority will form part of the Rules (if relevant and applicable). Such changes will be effective at such time as specified in the relevant notice.
- 16.5 Any modification to the Rulebook effecting material obligations of Participants will be alerted to Participants a minimum of 30 days prior to a revised Rulebook coming to effect and being posted on the EquiLend website, unless communicated otherwise. This communication will be sent by email to the "Compliance Contact" Participant has specified on the Client Profile Form.
- 16.6 All final Rulebook revisions will be reviewed by, at minimum, one management member of the Firm, and will be demonstrated so by their explicit written approval prior to any such revised Rulebook coming to effect and posting to the Firm's publicly accessible website (<http://www.equilend.com>).

### **Notifications**

- 16.7 Participant must notify the Firm immediately (by email to: [support@equilend.com](mailto:support@equilend.com)) upon any of the following events:
  - 16.7.1 Participant change of legal entity name, legal status, contact details, or any significant change to the business structure of Participant;
  - 16.7.2 Participant completes any material breach of these Rules;
  - 16.7.3 Participant initiates any Insolvency Event;
  - 16.7.4 Any changes in the Participants ability to meet the Participation Criteria.

### **Co-operation with Local Regulatory Authority**

- 16.8 The Firm will report to the FCA, or any other relevant Regulatory Authority, as soon as practicable following identification any:
  - 16.8.1 Breaches of its rules;
  - 16.8.2 Disorderly trading;
  - 16.8.3 Conduct that may be considered Market Abuse.
- 16.9 The Firm will provide full assistance to the FCA, or any other relevant Regulatory Authority, in connection with any investigation or for any other request it is capable, including providing any relevant information it has available in connection with any such request.
- 16.10 The Firm monitors for changes in its regulatory related obligations on a continuous and ongoing basis with respect to all aspects of this Rulebook, to include; Participant's Eligibility Criteria, trading and settlement rules and anti-market abuse rules.

### **Governing Law and Other Provisions**

- 16.11 This Rulebook shall be governed and interpreted in accordance with the laws of England. The parties consent to the jurisdiction of the courts for England in relation to any legal action or proceeding out of or in connection with these national rules.



# EQUILEND PRICING



User fees are priced based on the number of trading transactions executed through the EquiLend platform. Rejected or unfilled orders are not counted toward transaction totals. EquiLend post-trade services listed below are included.

	TRADING	POST-TRADE
<b>Pricing includes:</b>	Next Generation Trading (NGT)	<ul style="list-style-type: none"> <li>• Unified Comparison</li> <li>• Settlement Instructions Repository (SSI)</li> <li>• Mark-to-Market Comparison</li> <li>• Dividend Comparison</li> <li>• Returns</li> <li>• Recalls</li> <li>• Billing Comparison &amp; Delivery</li> </ul>

TIER	ADVANCED QUARTERLY FEE	ALLOTTED TRANSACTIONS	ADDITIONAL TRANSACTION FEES
Tier 1	\$325,000	Unlimited	0
Tier 2	\$240,000	34,000	\$7.06
Tier 3	\$162,500	20,000	\$8.13
Tier 4	\$130,000	14,000	\$9.29
Tier 5	\$106,000	10,000	\$10.60
Tier 6	\$81,250	6,500	\$12.50
Tier 7	\$54,000	3,500	\$15.43
Tier 8	\$36,750	2,300	\$15.98
Minimum	\$19,500	1,150	\$16.96

## HOW EQUILEND PRICING WORKS

### BILLING

Clients are billed quarterly, in advance. Any additional fees are billed in arrears.

### AGENCY LENDER DISCLOSURE (ALD)

ALD is available at an additional quarterly charge. Prices start at \$6,825 per quarter. The service provides access to unlimited files and counterparties.

### SWAPTIMIZATION

Swaptimization fees are billed monthly and are calculated as an annualized one (1) basis point fee on the daily outstanding notional amount (price of the security multiplied by the number of shares) of transactions effected through the service. Swaptimization fees are separate from fees for other EquiLend functions and service.

### INTEGRATION FEE

Integration options include Internet/browser, FTP or XML messaging. Cost is \$15,000 for a 6 to 8 week FTP or a 12 week XML/MQ integration.

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