

Systematic Internaliser Commercial Policy

Purpose of this document

This Systematic Internaliser (“SI”) Commercial Policy applies to business conducted on Foreign Exchange (“FX”) Derivatives markets where SMBC Bank International plc and Sumitomo Mitsui Banking Corporation and their respective branches in the European Economic Area (“EEA”) (together “SMBC Group”) have the authorisation to carry out regulated activity in “financial instruments” as defined in MiFID II in the EEA. This document must be read together with the SMBC Group Order Execution Policy for its FX Derivatives business in relation to its SI obligations setting out SMBC Group standards for governing access to quotes to clients.

What is an SI?

An SI is an investment firm which on an organised, frequent, systematic and substantial basis, deals on its own account when executing client orders outside of a regulated market, a Multilateral Trading Facility (“MTF”) or an Organised Trading Facility (“OTF”) without operating a multilateral system.

Scope

SMBC Group is an SI for FX Derivatives which are considered to be traded on trading venue (“ToTV”). This is not applicable to primary market transactions.

Governance standards for quotes

FX Derivatives are considered by the European Securities and Markets Authority (“ESMA”) not to be a liquid market. This means that the only obligation applying to SMBC Group is the requirement to disclose quotes to clients on request, accounting for specific factors such as counterparty risk, client credit status and final settlement of the transaction. Please see our standards below:

- SMBC Group will disclose its SI quote to clients who have requested the quote.
- Each quote may be updated at any time and may be withdrawn under exceptional market conditions or if there are changes in market prices.

Publication mechanism

This SI Commercial Policy is made available to clients on the following website: <https://www.smbcgroup.com/emea/about-us/customer-information-and-notices/> SMBC Group may modify this Commercial Policy at a future date on its website.

Reporting obligation

As SMBC Group is an SI in the EEA, SMBC Group has the sole obligation for post-trade-transparency reporting for FX Derivatives ToTV. For this SMBC Group uses TRAX as its Approved Publication Arrangement (“APA”). Therefore, there are no post-trade-transparency obligations for SMBC Group’s clients. This however does not always apply if SMBC Group’s counterparty is also an SI.