

SMBC NIKKO

Systematic internaliser commercial policy

Scope

SMBC Nikko Capital Markets Limited has elected to be a Systematic Internaliser (**SI**) for the following non-equity asset classes / sub asset classes that are “Traded on a Trading Venue” (**TOTV**) where we provide quotes:

- Structured Finance Products
- Sovereign Bonds
- Other Public Bonds
- Corporate Bonds
- Convertible Bonds
- Covered Bonds

Provision of quotes

As an SI when we are requested for a quote in respect of a financial instrument which is traded on trading venue and agree to provide a quote (an “**SI quote**”) outside of a trading venue, we will make public such an SI quote where the quote is in respect of a “liquid instrument” and is at or below the size specific to the instrument (**SSTI**). Note that we are not required to publish (or to give you access to) quotes in instruments that are not deemed liquid by the European Securities and Markets Authority (**ESMA**) or where the quote size is above SSTI.

Publication mechanism

Where we are obliged to make SI quotes public, these will be made available through traxapa.com, which is our selected quote publication service.

Quote Identification

SI quotes published by SMBC Nikko Capital Markets Limited can be identified as follows:

- Market Identifier Code (**MIC**): NCML

Access to quotes

If as an on-boarded client you are interested in trading on the same terms as a published SI quote, you should note the SI quote ID and enquire with your usual SMBC Nikko Capital Markets Limited contact via your regular method of communication who will confirm whether the SI quote is still executable.

Access criteria

We have established access criteria which we will take into account when determining whether you may be given access to a published quote, which we apply in an objective and non-discriminatory way. We may decline to trade with you at the published SI quote on the basis of:

- a. commercial considerations, including risk limits and capital costs associated with our relationship with you and the economic value of our relationship with you;
- b. operational considerations, including any operational preferences or requirements you may have;
- c. legal and regulatory considerations, including whether you are on-boarded and in compliance with the terms of any agreements with us, and whether there are any legal or regulatory restrictions preventing us from dealing with you.

Quote validity

If the SI quote is no longer executable you may be offered an updated SI quote. We reserve the right to update our published SI quotes at any time or withdraw such SI quotes without cancelling or amending the published information due to exceptional market conditions. Factors influencing whether the SI quote is still available include whether the SI quote has already been executed against by another client, price movements, market conditions, inventory status and the time elapsed since the provision of the SI quote. In any event SMBC Nikko Capital Markets Limited reserves the right to limit the number of transactions it is willing to enter into on the basis of a published SI quote to one transaction.

Reporting Obligations

Where we act as an SI and enter into a transaction in a TOTV instrument, we will support you by virtue of our responsibility to make a post trade report.