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MarketAxess Europe Limited  
MTF RULEBOOK

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## 1. DEFINITIONS

1.1 For the purposes of this Rulebook:

"**Admission Criteria**" has the meaning given in Rule 4.1;

"**Affiliate**" means in relation to an entity, a person, company, partnership or other entity that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with such entity, where relevant;

"**Agreement**" means the agreement between a Participant and MarketAxess relating to such Participant's use of the System, as replaced or amended from time to time, including any supplemental terms thereto;

"**Algorithmic Trading**" and "**Algorithm**" has the meaning given in the Glossary to the FCA Handbook, where such Algorithm is operated by the Participant in connection with a submission of an Instruction to the MTF;

"**API**" means any application programming interfaces together with supporting documentation which allows the integration of certain of Participant's systems or data with the System;

"**Applicable Law**" means all applicable laws, regulations, regulatory requirements (including any guidance, orders or other directions of a regulatory authority), market rules and / or market conventions any laws, all judgments, orders, instructions or awards of any court or competent authority and applicable to: (a) MarketAxess; or (b) a Participant (or Principal as the case may be); as the case may be and, in each case, having regard to the context;

"**Authorised Person**" means an individual authorised by a Participant to have access to and (if so authorised by such Participant) transact through the System on the Participant's behalf, and who has been given or is utilising a User ID and password issued by MarketAxess for such purposes;

"**Automation Protocols**" means a Trading Protocol incorporating any Automation Solution;

"**Automation Solution/s**" has the meaning given in Appendix VII (*Automation Solutions*);

"**Axess IQ**" is the proprietary execution workflow software solution (and associated management tools) developed by MarketAxess or its Affiliates known as "Axess IQ", and offered by MarketAxess to Participants which can be used to facilitate a Participant's interaction with the System via API and to support Participants' trading activities on the MTF, including any technical updates, revisions or rebranding of such solution from time to time.;

"**Benchmark**" shall mean a UK Benchmark;

"**Clearly Erroneous**" in respect of any Transaction shall have the meaning in the Clearly Erroneous Trade Policy;

"**Clearly Erroneous Trade Policy**" means the policy set out in Appendix I (*Clearly Erroneous Trade Policy*);

"**Client**" is a Participant that MarketAxess has categorised as a liquidity seeker in Disclosed RFQ;

"**Composite Price**" or "**CP+**" are composite pricing products developed by MarketAxess or any of its Affiliates, and references to "**Composite Prices**" or "**CP**" shall be interpreted accordingly. Composite Price and CP+ are each Price Discovery Tools;

"**Controller**" has the meaning given in the UK GDPR;

"**Content**" means (i) any information generated by a Participant and transmitted over the System, or (ii) any pricing, instrument reference data and other data that is displayed, viewable or otherwise made available to a Participant over the API or System from time to time including, but not limited to, any data products of MarketAxess or its Affiliates, Price Discovery Tools, and any market data originating from third parties;

"**CSD**" means a central securities depository that operates a securities settlement system;

"**CSDR**" means the Regulation (EU) No 909/2014, as it forms part of domestic law by virtue of UK legislation, or Regulation on improving securities settlement in the European Union and on central securities depositories (Regulation No 909/2014 of the European Parliament and Council);

"**CSDR Instruments**" means Eligible Instruments that qualify as transferable securities or money market instruments that settle on a CSD.

"**Data Protection Laws**" means the following legislation to the extent applicable from time to time: (a) the Privacy and Electronic Communications (EC Directive) Regulations 2003/2426; (b) the UK GDPR; and (c) any other similar national privacy law. "**Personal Data**", "**Personal Data Breach**", "**Process**" and "**Controller**" and "**Processor**" shall have the respective meanings attributed to them in the foregoing legislation in the UK GDPR;

"**Dealer**" is a Participant that MarketAxess has categorised as a liquidity provider in Disclosed RFQ;

"**Disclosed Open Trading**" means the Trading Protocol described in Rule 11.2 including any technical updates, revisions or rebranding of such Trading Protocol from time to time;

"**Disclosed RFQ**" means the Trading Protocol as described in in Rule 11.2 including any technical updates, revisions or rebranding of such Trading Protocol from time to time;

"**Disorderly Trading Conditions**" means situations where the MTF operator determines in its sole discretion that the maintenance of fair, orderly and transparent execution of trades is or is likely to be compromised, for example by the following non-exhaustive list in each case, whether or not introduced by the Participant: (a) significant delays and interruptions in the performance of the System; (b) multiple erroneous orders or transactions on the Market; or (c) insufficient System capacity to cope with adverse events (such as a significant increase in volatility), "**Disorderly Trading**" shall have cognate meaning;

"**DNT**" means the expiry of an Inquiry without Execution as a result of one of the following circumstances: (1) cancellation of Inquiry; (2) all responses are passed; (3) the Inquiry times out; or (4) counter / negotiation process fails to reach Execution;

"**EST**" means Eastern Standard Time;

"**Execution**" means the point in time at which the Transaction is executed over the System;

"**Eligible Instrument**" means the individual financial instruments that are eligible for trading on the MTF as described in Rule 10.3;

"**FCA**" means the UK Financial Conduct Authority and its successor body or bodies from time to time;

"**Indicative Price**" has the meaning given in Rule 17.4;

"**Intermediated**" means a Trading Protocol whereby MACL is interposed as a trading counterparty Participant to the Transaction on a matched (or riskless) principal basis. All Intermediated Protocols are subject to Appendix 1 (*Clearly Erroneous Trade Policy*) and Appendix II (*Open Trading Terms*);

"**Information**" means data, pricing, research, instrument reference data and other information that is displayed, viewable or made available over the System to Participants in relation to instruments admitted to trading on the MTF (which may include data derived from third party sources);

"**Inquiry**" means an RFQ or similar other non-actionable indication of interest submitted over the System by a Participant (and, with respect to RFQs, interpreted in accordance with the definition of Request-for-Quote trading system set out in Annex 1 of RTS 2);

"**Insolvency Event**" means the occurrence of any of the following circumstances with respect to a Participant (or a Principal, if applicable): (a) it is dissolved or declared insolvent or is unable or admits an inability to pay its debts as they fall due or suspends making payments on any of its debts; (b) any step, application or proceeding has been taken by or against it or in respect of the whole or any part of its undertaking, for a voluntary arrangement or composition or reconstruction or rescheduling of its debts, winding up, bankruptcy, dissolution, administration, receivership or otherwise or any similar proceeding in any jurisdiction; (c) the appointment of a liquidator, trustee, receiver, administrative receiver or similar officer; (d) a voluntary or involuntary petition for a bankruptcy order; or (e) any similar action, application or proceeding in any jurisdiction under Applicable Law to which it is subject or (f) it takes any action in furtherance of, indicating its consent to, approval of, or acquiescence in, any of the foregoing events;

"**Instruction**" means any electronic order, request, response, instruction or similar communication from a Participant into the MTF;

"**Internal Crossing**" means the Trading Protocol described in Rule 11.2 including any technical updates, revisions or rebranding of such Trading Protocol from time to time;

"**Internal Cross Trade/s**" means a transaction executed pursuant to the Internal Crossing Trading Protocol;

"**LEI**" means the Legal Entity Identifier, a unique code based on the ISO standard 17442;

"**MACL**" means MarketAxess Capital Limited (a private limited company incorporated in England and Wales with registered company number 09777893 and authorised and regulated by the FCA, with FCA reference number 724949), an Affiliate of MarketAxess;

"**MarketAxess Website**" means the website at [www.marketaxess.com](http://www.marketaxess.com);

"**MarketAxess**" means MarketAxess Europe Limited;

"**Market Abuse**" means any behaviour that constitutes market abuse, market manipulation or insider trading or any other similar or analogous behaviour prohibited or subject to sanctions or penalties under Applicable Law;

"**Mid-X**" means the Trading Protocol described in Rule 11.2 including any technical updates, revisions or rebranding of such Trading Protocol from time to time;

"**MIFIR**" means Regulation (EU) No 600/2014, as it forms part of domestic law by virtue of UK legislation;

"**MiFID Instruments**" are those Eligible Instruments within the categories set out in Table 2.1 and 2.2 of Annex III of RTS 2, which are admitted to trading on the MTF and subject to the provisions of MiFIR including without limitation, the transparency and transaction reporting requirements as set out in Rules 17, 18 and 19;

"**MiFID Firm**" means a Participant which is an investment firm or a credit institution authorized that is authorised in the UK and subject to the requirements of MiFIR (including an UK branch of a non-UK investment firm or non-UK credit institution which is itself subject to the requirements of MiFIR);

"**MTF**" means the FCA-authorized multilateral trading facility operated by MarketAxess Europe Limited for the trading of Eligible Instruments in accordance with these Rules;

"**MTF Business**" means any business related to transactions in Eligible Instruments which is conducted by Participants on the MTF via the System (and includes the regulated activity of operating an MTF);

"**Non-MiFID Firm**" means a Participant which is not a MiFID Firm;

"**Non-MiFID Instruments**" are Eligible Instruments that are not MiFID Instruments;

"**Non-MTF Business**" means any commercial or technology interaction by a Participant via the System or otherwise with MarketAxess or an Affiliate of MarketAxess which is not MTF Business, whether or not provided under a different regulatory permission (such as routing and transmission of orders);

"**Notice**" has the meaning given to it in Rule 24.2;

"**On-Boarding Documentation**" means the supporting documentation that may be required by MarketAxess from the Participant from time to time to support a person's application to become a Participant;

"**Open Trading**" means an Intermediated Trading Protocol described in Rule 11.2 where MACL is interposed as the trading counterparty on a matched principal basis between two Participants (regardless of anonymity) in each case including any technical updates, revisions or rebranding of such Trading Protocols from time to time;

"**Open Trading Transaction**" shall mean any Transaction executed through any Intermediated Protocol;

"**Operational Resilience**" means the ability to prevent, adapt, respond to, recover and learn from a series of linked events or a singular event which is unplanned by the Participant and which has or is likely to have an adverse impact on the integrity, availability, confidentiality, authenticity and/or continuity of services of the Participant;

"**Participant**" means a legal entity that has been admitted as a member of the MTF pursuant to Rule 4;

"**Participant Eligibility Criteria**" has the meaning given in Rule 3;

"**Participant Obligations**" means the obligations described in Rules 7.1;

"**Price Discovery Tool/s**" means a proprietary price discovery tool developed by MarketAxess or its Affiliates, including but not limited to CP+ and Composite Price;

"**Principal**" means an underlying entity, or client of a Participant, on behalf of whom a Participant executes Transactions (whether disclosed and/or identified to MarketAxess or not);

"**PRA**" means the UK Prudential Regulation Authority and its successor body or bodies from time to time

"**Process Trades**" has the meaning given in Rule 11.2;

"**Relevant Regulator**" means the FCA, as the authority that has jurisdiction over the MarketAxess MTF;

"**Retail Client**" has the meaning given to it in COBS 3 of the FCA Handbook;

"**RFQ**" means a request for quote as such term is defined in Annex 1 of RTS 2;

"**RTS 2**" means Commission Delegated Regulation (EU) 2017/583, as it forms part of domestic law by virtue of UK legislation;

"**RTS 6**" means Commission Delegated Regulations (EU) 2017/589, as it forms part of domestic law by virtue of UK legislation;

"**RTS 7**" means Commission Delegated Regulation (EU) 2017/584, as it forms part of domestic law by virtue of UK legislation;

"**RTS 22**" means Commission Delegated Regulation (EU) 2017/590, as it forms part of domestic law by virtue of UK legislation;

"**RTS 23**" means Commission Delegated Regulation (EU) 2017/585, as it forms part of domestic law by virtue of UK legislation;

"**Rulebook**" means this document, as amended or replaced from time to time including any Appendices;

"**Rule(s)**" means the rules set out in this Rulebook, including any Appendix;

"**Scheduled RFQ**" means the Trading Protocol described in Rule 11.2 including any technical updates, revisions or rebranding of such Trading Protocol from time to time;

"**Suspicious Trade**" means a Transaction or Instruction that:

- (a) Is executed in circumstances of Market Abuse, System abuse or misuse; and/or
- (b) MarketAxess believes is or may be manipulative or deceptive, or part of a manipulative or deceptive scheme; and/or
- (c) In the sole discretion of MarketAxess would be detrimental to the integrity of the MTF and/or inconsistent with just and equitable principles of a fair and orderly market;

"**System**" means the interactive electronic data communications and trading systems made available by MarketAxess and licensed to Participants to effect both MTF Business and non-MTF Business ;

"**Third Party Service Provider**" means any person, including any affiliate of the Participant, whose services a Participant uses to access the MTF or to which a Participant outsources or delegates any activity in the course of accessing the MTF;

"**Trading Hours**" means the hours when the MTF is available for trading in accordance with Rule 11.1;

"**Trading Protocols**" means the functionalities and methods of trading the Eligible Instruments on the MTF as specified in this Rulebook and "**Protocol**" shall have the same meaning, in each case including any technical updates, variations, derivations, expansions, revisions or rebranding of such Trading Protocols from time to time;

"**Transaction**" or "**Trade**" means a transaction executed on the MTF by a Participant pursuant to any Trading Protocol;

"**Transaction Date**" means the date of execution of a Transaction;

"**Transaction Reporting Fields**" means, for Non-MiFID Firms, certain fields contained in the Annex to RTS 22 that MarketAxess may require to be submitted to the MTF for the purpose of enabling it to meet its transaction reporting obligations pursuant to Article 26(5) MIFIR;

"**UK Benchmark**" a price or index falling within the definition of benchmark under any of (i) Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of UK legislation, as amended; ii) Regulation (EU) 596/2014 on market abuse as it forms part of domestic law by virtue of UK legislation; and (iii) Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of UK legislation (and "**UK Benchmark Rules**" shall have cognate meaning);

"**UK GDPR**" means Regulation (EU) 2016/679, as it forms part of domestic law by virtue of UK legislation;

"**User Agreement**" means an Agreement between MarketAxess and an MTF Client; and

"**User ID**" means the password and identification criteria that are given to each Authorised Person by MarketAxess.

1.2 References to statutory provisions, regulations, rules, guidance, notices or other Applicable Law shall include these provisions, regulations, rules, guidance, notices or other Applicable Law (and any secondary or subsidiary legislation or rule or guidance made thereunder) as each may be amended, extended, consolidated, substituted, re-stated, re-enacted, replaced, retained or assimilated from time to time.

1.3 Unless the context requires otherwise, words importing the singular shall be deemed to include the plural and vice versa.

## 2. INTRODUCTION

2.1 MarketAxess is authorised by the FCA to operate a multilateral trading facility on which professional Participants may trade Eligible Instruments.

2.2 These Rules are publicly available on the MarketAxess Website and are supplemental to the Agreement entered into by each Participant. Each Participant's access to and use of the MTF shall be governed by the applicable Agreement and these Rules.

2.3 These Rules shall prevail over any terms and notices available on the MarketAxess MTF graphical user interface.

2.4 An Agreement may have provisions that govern both MTF Business and Non-MTF Business.

2.5 Unless stated expressly otherwise herein, these Rules take precedence over any inconsistent terms in the Agreement to the extent of any inconsistency.

2.6 In the event and to the extent only of any conflict between a Rules 1-26 inclusive of this Rulebook and the provision of any Appendix, such conflict shall be construed according to the following order of priority:

(a) the provisions of the Appendix; then

(b) Rules 1-26 inclusive of this Rulebook.

2.7 In the event of any conflict between the provisions of any Appendix with any other Appendix, such conflict shall be construed according to the order of priority stated within the Appendices.



### 3. PARTICIPANT ELIGIBILITY CRITERIA

3.1 MarketAxess will only consider an applicant for admission as a Participant of the MTF if as a minimum:

- (a) It carries on business from an establishment maintained in a jurisdiction in which MarketAxess holds requisite authorisation to carry on MTF business, or from an establishment maintained in a jurisdiction which in MarketAxess's opinion would not impose any authorisation or similar requirements to MarketAxess to admit Participants on the MTF for the purposes of the provision of MTF Business by MarketAxess; and
- (b) It meets the criteria in either (i) or (ii) below:
  - i. It is an investment firm or credit institution authorised by a FCA or the PRA, (including a branch in the UK of a non-UK investment firm or non-UK credit institution); or
  - ii. It is sufficiently authorised by a regulatory authority in the jurisdiction from which it is accessing the MTF to carry on all the activities of a Participant or is otherwise exempt from any requirement to be licensed to carry on the activities of a Participant in such jurisdiction; and
- (c) It meets all the following criteria:
  - i. It can evidence that it is permitted, licensed, or authorised by the Relevant Regulator to participate in the MTF, or can rely on an exemption or exclusion from any requirement to be permitted, authorised or licensed by the Relevant Regulator to participate in the MTF; and
  - ii. It carries on a business of dealing in the Eligible Instruments or can otherwise demonstrate to the satisfaction of MarketAxess that it has a sufficient level of trading ability, competence and experience, and that it has adequate organisational arrangements and sufficient financial resources to perform its intended role on the MTF;
  - iii. It meets any additional eligibility requirements per Protocol as set out the relevant Appendix or as may be required from MarketAxess from time to time; and
  - iv. It meets any other requirement in relation to Participation on an MTF under Applicable Law or this Rulebook,

together, the "**Participant Eligibility Criteria**".

3.2 To the extent permitted by Applicable Law, MarketAxess reserves the right to refuse any applicant for admission as a Participant of the MTF in order to ensure a fair and orderly market; to uphold the integrity of the MTF, or if it appears to MarketAxess in its sole discretion that such applicant would not be likely to meet its obligations under these Rules, including in particular, but not limited to, Rule 7.1(p), even if the applicant otherwise meets the Participant Eligibility Criteria.

3.3 For the avoidance of doubt, prospective Participants that are individuals, retail investors, or tied agents relying upon a regulatory host do not meet the Participant Eligibility Criteria and are not permitted to be onboarded by MarketAxess.

### 4. ADMISSION

4.1 Applicants wishing to become Participants on the MTF must satisfy the following conditions:

- (a) It must satisfy the Participant Eligibility Criteria;

- (b) It must have passed any required relevant KYC due diligence checks, sanctions and anti-money laundering checks (including providing such additional information as MarketAxess may require to satisfy such checks); and
- (c) For new applicants seeking admittance following the first publication of this Rulebook, it must have acknowledged that it has read, understood and agreed to be bound by this Rulebook,

together, the "**Admission Criteria**".

4.2 Applicants must submit the following to MarketAxess:

- (a) A signed Agreement as applicable to the category of Participant (as shall be determined by MarketAxess);
- (b) Completed and signed On-Boarding Documentation including, without limitation a valid LEI and a declaration of its status as a MiFID Firm or Non-MiFID Firm together with such supporting documentation as MarketAxess may require; and
- (c) Any such additional information as MarketAxess may reasonably require to enable it to assess whether the applicant meets the Admission Criteria.

4.3 Once MarketAxess has received all the relevant documentation and information, MarketAxess will decide whether to admit an applicant as a Participant of the MTF.

4.4 Participation on the MTF at any time following the publication of a Notice constitutes deemed acknowledgement and acceptance by a Participant of these Rules and / or such Notice ("**Participation**") includes, for the avoidance of doubt, access to information and / or the execution of Transactions over the MTF by such Participant).

4.5 MarketAxess may reject an applicant if it does not meet the Admission Criteria or if MarketAxess considers in its sole discretion that accepting the applicant as a Participant would be inconsistent with the obligation of MarketAxess to maintain a fair and orderly market.

## 5. RESIGNATION AND CESSATION OF PARTICIPATION ON THE MTF

5.1 A Participant may resign from its status as a Participant of the MTF by terminating its Agreement in accordance with its terms.

5.2 After any Participant has ceased to be a Participant, it shall continue to be liable for its acts or omissions in connection with MTF Business that occurred at any time before it ceased to be a Participant of the MTF, including during the resignation notice period.

## 6. SUSPENSION AND TERMINATION

6.1 MarketAxess may suspend or terminate a Participant's right to access and / or use the MTF if:

- (a) The Participant's Agreement is terminated;
- (b) The Participant does not trade on the MTF for an extended period of time;
- (c) MarketAxess becomes aware that the Participant has made a misrepresentation to MarketAxess or another Participant or has otherwise breached Applicable Law in any material respect;
- (d) MarketAxess becomes aware that an Insolvency Event has occurred in relation to the Participant;

- (e) The circumstances envisaged in Rule 12.2 (Suspicious Trades), Rule 15.8 (consistent and systematic failure to settle) or Rule 16 (Disciplinary Sanctions) occur;
- (f) The Participant no longer meets the Participant Eligibility Criteria; or
- (g) MarketAxess deems it necessary in its sole discretion to ensure a fair and orderly market on the MTF and to uphold the integrity of the MTF or to comply with Applicable Law, or if so required by a Relevant Regulator.

6.2 MarketAxess may also suspend a Participant's right to use the MTF if that Participant so requests.

6.3 A Participant whose right to use the MTF has been suspended or terminated shall remain subject to these Rules in respect of acts and omissions while it was a Participant and shall comply with any request for information in relation to the period of its Participation which MarketAxess may make at any time following the termination of its Participation.

6.4 A Participant whose right to use the MTF has been suspended or terminated shall remain subject to these Rules in respect of any outstanding obligations under these Rules until those obligations are satisfied.

## **7. PARTICIPANT OBLIGATIONS**

7.1 Each Participant shall, on an on-going basis comply with the obligations set out in this Rule 7 (subheadings are for guidance only):

### *On-Boarding and Membership Criteria:*

Each Participant shall:

- (a) Meet the Admission Criteria;
- (b) Ensure that it complies at all times with the requirements of these Rules, the Agreement and any Notices;
- (c) Ensure the User ID given to each Authorised Person by MarketAxess is kept confidential to such individual and not disclosed to any other person;
- (d) Ensure that it holds a validated, issued and duly renewed LEI at all times, and if so required for the purposes of compliance with Rule 19.3 (Transaction Reporting) or Rule 20 (Order Record Keeping), and ensure that any Principals on behalf of whom it is acting on the MTF, holds validated, issued and duly renewed LEIs at all times, and promptly notify MarketAxess of any changes to its LEI or those of its Principals (if applicable), and any changes to any other information provided to MarketAxess pursuant to Rule 19.3; and
- (e) Notify MarketAxess promptly upon any change to the information it has provided to MarketAxess on the On-Boarding Documentation, or if such information ceases to be relevant, accurate or correct, (including but not limited to, trading capacity) or it does not meet the Admission Criteria, or if it ceases to be regulated under any Applicable Law.

### *Ensuring Adequate Systems and Controls:*

Each Participant shall:

- (f) Ensure that it has established appropriate organisational procedures and has systems and controls in place to supervise its Authorised Persons;

- (g) Ensure that all of its Authorised Persons, decision makers and staff involved in the conduct of MTF Business are fit and proper, suitable, appropriately and adequately trained or qualified, and properly supervised;
- (h) Ensure that its systems are compatible with the System;
- (i) Have in place appropriate arrangements to ensure the timely clearing and settlement of Transactions in accordance with Rule 15.4, and promptly inform MarketAxess of a failure by the Participant or any other Participant to settle any Transaction in accordance with Applicable Law and/or good settlement practice (in accordance with the obligation to notify in Rule 15.8);
- (j) Have the legal and regulatory capacity to transact in, clear (where applicable) and settle the Eligible Instruments it trades on the MTF;
- (k) Procure that any Third Party Service Provider shall operate in compliance with these Rules.

Operational Resilience and Disruptions

Each Participant shall:

- (l) Take all reasonable measures to ensure Operational Resilience in their business in so far as it relates to their status as a Participant or their activity on the MTF;
- (m) Notify MarketAxess promptly if it becomes aware of, or suspects the occurrence of, any operational disruption or any failure to prevent, adapt and respond to, or recover from, an operational disruption in so far as it relates to their activity on the MTF, which for these purposes would also include a Personal Data Breach in relation to activity on the MTF

Maintenance of Orderly Markets and Prevention of Market Abuse

Each Participant shall:

- (n) Have appropriate internal systems and controls and procedures to (i) prevent and detect behaviour that may compromise a fair and orderly market, (ii) ensure that it trades in an orderly manner, (iii) prevent erroneous Transactions and (iv) to ensure ongoing compliance with, and prevent breaches of, Applicable Law (including but not limited to laws prohibiting Market Abuse) and these Rules;
- (o) For Participants that engage in Algorithmic Trading on the MTF, comply with the Rules for Algorithmic Trading set out in Appendix VI;
- (p) Ensure that its Authorised Persons do not systematically submit Instructions primarily for price discovery purposes without a bona fide intention to trade on the System;
- (q) Ensure that Authorised Persons are prohibited from (directly or indirectly) initiating and responding to the same Inquiry, in order to ensure a fair and orderly market and to prevent potential Market Abuse.

Provision of Information to MarketAxess:

Each Participant shall:

- (r) Correctly inform, and keep updated, MarketAxess as to its status either as a MiFID Firm or a Non-MiFID Firm;

- (s) Provide all relevant information as required by MarketAxess in order to ensure compliance with Rules 18 (*Trade Reporting*), 19 (*Transaction Reporting*) and 20 (*Order Record Keeping*);
- (t) Co-operate with MarketAxess and any Relevant Regulator in relation to any query or investigation regarding, directly or indirectly, the MTF;
- (u) Promptly respond to any request for information as may be required by MarketAxess to comply with internal policy, Applicable Law or otherwise in connection with the proper operation of the System;
- (v) Be responsible for the Information that it submits to the MTF for the purpose of complying with these Rules.

Notification Obligations

A Participant must notify MarketAxess promptly upon becoming aware of any of the following:

- (w) Any breach of these Rules or any event, act or omission which may affect the ability of the Participant to comply with these Rules or which may impair a fair and orderly market on the MTF;
- (x) Any litigation or enforcement action which could impair the ability of the Participant to comply with these Rules (where such disclosure is permitted by law or any relevant regulatory authority);
- (y) An Insolvency Event with respect to the Participant;
- (z) Any of the Participant's User IDs are lost, stolen or compromised;
- (aa) Any application or notification to a relevant regulatory authority in respect of a direct or indirect change in ownership or control of the Participant;
- (bb) Any other material event or matter of which MarketAxess might reasonably expect to be made aware.

7.2 A Participant must make a notification under these Rules in writing addressed to ComplianceEU@marketaxess.com.

7.3 A Participant shall be fully liable for any acts and omissions of its Third Party Service Providers. MarketAxess shall not be liable for any losses that a Participant may suffer as a result of the acts or omissions of any Third Party Service Providers.

7.4 Where a Participant executes a Transaction on behalf of one or more Principals, each Participant represents and warrants that:

- (a) It has full power and actual authority to act on behalf of the Principals in all dealings over the MTF and that such dealings are all in accordance with the arrangements in place between that Participant and the relevant Principal;
- (b) It has no reason to believe that the Principal will not be able to perform any settlement obligation in accordance with this Rulebook;
- (c) It will not effect any Transaction on behalf of any Principal where it has reason to doubt the ability of the Principal to meet its obligations under such Transaction; and

- (d) It has obtained and recorded evidence of the identity of the Principal or any underlying principal of such Principal in accordance with Applicable Law.

7.5 Each Participant must refrain from using Relevant Information: as a Benchmark; or in connection with the determination of a Benchmark; or passing any Relevant Information to an Administrator in connection with the determination of a Benchmark. In particular, Participant shall not create, sell, trade, promote or become a party to any financial instrument or financial contract where the amount payable under, or the value of, the financial instrument or contract is determined by reference to Relevant Information or to use Relevant Information for the purposes of measuring the performance of an investment fund, or defining the asset allocation of a portfolio, or computing performance fees.

For the purpose of this paragraph 7.5:

“**Administrator**” has the meaning given in the UK Benchmark Rules;

“**Index**” has the meaning given in the UK Benchmark Rules

“**Relevant Information**” means any MarketAxess data product or Price Discovery Tool that also qualifies as an Index.

## **8. MARKETAXESS'S OBLIGATIONS**

8.1 MarketAxess shall:

- (a) Make the MTF available to the Participants, subject to the provisions of the Agreements, these Rules, and Applicable Law; and
- (b) Operate the MTF in accordance with these Rules and Applicable Law.

8.2 Data Protection

Notwithstanding anything to the contrary in the Agreements, when processing Personal Data provided by Participants in connection with the operation of the MTF or otherwise pursuant to these Rules, MarketAxess shall be a Controller. MarketAxess shall comply with its obligations as a data Controller pursuant to Data Protection Laws applicable to it, and shall:

- (a) Implement appropriate technological and organisational security measures to safeguard personal data provided by Participants;
- (b) Notify relevant Participants of any Personal Data Breach affecting the Personal Data that the Participants have provided within the timescales required by the applicable Data Protection Laws; and
- (c) Provide reasonable assistance to Participants in relation to their compliance with applicable Data Protection Laws relating to their use of the MTF.

## **9. COMMUNICATIONS**

9.1 The MTF shall be configured to rely on, and other Participants may rely on, any Instruction or communication that the System records as having been given by an Authorised Person on behalf of a Participant and such Participant will be bound by any obligations (including but not limited to, Transactions) arising from such communications.

- 9.2 Any Instruction will be transmitted at the Participant's own risk and in such manner as may be specified by MarketAxess. MarketAxess will not be liable for any loss suffered on account of any Instruction not being received by MarketAxess or not being acted upon.

## **10. INSTRUMENT ELIGIBILITY CRITERIA**

- 10.1 The decision whether or not to admit an instrument to trading on the MTF is at the sole discretion of MarketAxess.
- 10.2 The MTF facilitates secondary market trading only in the instruments admitted to trading on the MTF.
- 10.3 The type and nature of financial instruments capable of admission to trading on the MTF is limited to the following:
- (a) European high-grade bonds;
  - (b) European high-yield bonds;
  - (c) Sovereign, supranational and agency bonds;
  - (d) Emerging market bonds;
  - (e) US high-grade bonds;
  - (f) US (taxable) municipal bonds
  - (g) US high-yield bonds;
  - (h) any other category of financial instrument determined and notified to Participants by MarketAxess from time to time including non-MiFID instruments, such as loans.

(together, the "**Eligible Instruments**"). In all cases, MarketAxess will only admit instruments that (1) comprise the relevant static data to enable it to comply with its regulatory obligations – notably, and without limitation as set out in RTS 2, RTS 22 and RTS 23 and (2) in respect of CSDR Instruments that comply with Article 3(2) CSDR.

- 10.4 Participants shall be able to determine at any time during Trading Hours, by means of a search facility on the System whether a particular Eligible Instrument is admitted to trading on the MTF at any time. The search facility is updated intraday. If an Eligible Instrument is not admitted to trading on the MTF, it will not be listed on the System. All Eligible Instruments that are admitted to trading on the MTF shall be searchable on the System search facility.
- 10.5 Suspension and Removal of Eligible Instruments
- (a) MarketAxess may suspend or remove a particular Eligible Instrument, from trading on the MTF if MarketAxess deems this necessary in order to comply with these Rules, maintain a fair and orderly market on the MTF, to comply with Applicable Law or in response to a request from a Relevant Regulator, or for any other reason at its discretion.
  - (b) MarketAxess shall make public and notify the FCA of any decision to suspend, restore or remove any Eligible Instrument pursuant to this Rule 10.5.

## **11. TRADING RULES**

- 11.1 Hours of Operation

- (a) The MTF will be open for business Monday to Friday, save that it shall not be available during scheduled maintenance between 6pm EST to 7pm EST each day or from 6pm EST Friday until 7pm EST on Sundays, (or such longer time as necessary to perform the maintenance) nor during any other scheduled maintenance slots or as may otherwise be determined by MarketAxess ("**Trading Hours**").
- (b) There is nothing to prevent or restrict the right of MarketAxess to extend (or reduce) Trading Hours or scheduled maintenance slots generally, or in relation to any Eligible Instrument during the course of any Trading Hours, including if necessary, without advance notice if advance notice is not reasonably practicable.

Notwithstanding the above Rule 11.1(a), some Protocols will only be available for limited timeslots during Trading Hours.

## 11.2 Trading Protocols

The MTF predominantly supports the Trading Protocols set out below (as may be amended by any technical updates, revisions or rebranding of such Trading Protocols from time to time). Each Trading Protocol may encompass subprotocols following the same generic description set out below and as may be developed from time to time. Access to particular Protocols or sub-Protocols for any Participant or category of Participant is determined by MarketAxess in its sole discretion having regard, inter alia, to MarketAxess's obligations in these Rules and such other factors as it deems appropriate

### (a) **Disclosed RFQ**

Under the Disclosed RFQ Trading Protocol, the MTF facilitates Transactions between Participants that have established bilateral relationships for the purpose of executing trades opposite one another.

Disclosed RFQ trading is conducted on a fully disclosed basis, such that the parties disclose to each other who they are when posting or responding to an RFQ and clearing and settlement of Transactions executed pursuant to Disclosed RFQ occurs without MTF involvement.

### (b) **Open Trading RFQ**

Open Trading RFQ is an intermediated RFQ workflow that is conducted between Participants on an anonymous basis.

The terms set out in the Appendices I (*Clearly Erroneous Trade Policy*), II (*Open Trading Terms*) shall apply to the Open Trading RFQ Protocol.

### (c) **Internal Crossing**

Internal Crossing is an Intermediated Protocol, and means the simultaneous purchase and sale, on the MTF, of an Eligible Instrument, through Open Trading by a single Participant acting on behalf of its Principals, where both the buy and sell Transactions are executed at the same price (save for any Open Trading related fees which are imposed, by adjusting the price of the Eligible Instrument in the amount of the applicable fee).

The terms set out in the Appendices I (*Clearly Erroneous Trade Policy*), II (*Open Trading Terms*) and V (*Internal Crossing*) shall apply to Internal Crossing.

### (d) **Mid-X**



Mid-X is an Intermediated Protocol pursuant to which Participants may match their interests in Eligible Instruments during periodic auction sessions on the MTF and agree the terms of the Transaction at prices which are determined in accordance with the provisions of Appendix VIII. The terms set out in Appendices I (*Clearly Erroneous Trade Policy*), II (*Open Trading Terms*) and VIII (*Mid-X Rules*) shall apply to the Mid-X Protocol.

(e) **Treasury Hedging**

Treasury Hedging is an Intermediated Protocol pursuant to which Participants are able to hedge credit transactions against Treasury bonds. In this case, the hedging Participant will be able, through Open Trading, to access liquidity in Treasury bonds.

The terms out in Appendices I (*Clearly Erroneous Trade Policy*), II (*Open Trading Terms*) shall apply to Treasury Hedging.

(f) **Disclosed Open Trading**

Disclosed Open Trading” is an intermediated Protocol based on an RFQ workflow but which is conducted on a fully disclosed basis, such that the parties disclose to each other who they are when posting or responding to an Inquiry. Only Participants that have been approved for the Disclosed Open Trading Protocol may be eligible to use it.

It is not a requirement for Disclosed Open Trading Participants to have established commercial relationships with each other in advance of using this Protocol.

The terms out in Appendices I (*Clearly Erroneous Trade Policy*) and II (*Open Trading Terms*) shall apply to the Disclosed Open Trading Protocol. In addition to meeting the Admission Criteria referenced in Rule 4.1, UK Participants on the MTF that are not authorised and regulated by the FCA or PRA must meet the “High Net Worth Company” exemption pursuant to Article 49 of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 in order to utilise the Disclosed Open Trading Protocol.

(g) **Scheduled RFQ**

The Scheduled RFQ feature allows clients to schedule an RFQ submission for a later time within the same trading day. Scheduled RFQ can be via Open Trading RFQ and Disclosed RFQ Protocols, and where it is through Open Trading, it is an Intermediated Protocol.

Scheduled RFQ does not require a trader to be physically present at the time of execution, and thereby allows Participants to schedule submissions (and potentially executions using Automation Solutions) of an RFQ outside of local business hours.

Terms set out in Appendix I (*Clearly Erroneous Trade Policy*) and Appendix X (*Scheduled RFQ*) are applicable to Scheduled RFQ. Appendix II (*Open Trading Terms*) will apply when Scheduled RFQ takes place on an Intermediated basis via Open Trading RFQ.

(h) **Automation Solutions**

Automation Solutions are as described further in Appendix VII (*Automation Solutions*) and can be utilised for Intermediated Protocols and Protocols that are not Intermediated (including Disclosed RFQ).

Where intermediated, the terms set out in Appendices I (*Clearly Erroneous Trade Policy*), II (*Open Trading Terms*) and VII (*Automation Solutions*) shall apply to the Automation Solutions.

(i) **Process Trades**

Participants may pre-arrange a potential trade between themselves off-venue in an Eligible Instrument that is to be submitted to the MTF for execution pursuant to the Rulebook (a "**Process Trade**") provided that, in respect of MiFID Instruments, the transaction is eligible for a waiver pursuant to Rule 17.3(a) or 17.3(b). The terms of a Process Trade must be submitted to the MTF in a manner prescribed from time to time by MarketAxess. Both Participants shall confirm Process Trades through the System within 15 minutes of being arranged (or sooner, if technologically practicable), but will not be deemed to become a Transaction that has been executed pursuant to these Rules until confirmed on the MTF. The term "bridge trade" is sometimes used to describe a subset of a Process Trade which are conducted on an Intermediated basis and is subject to the same.

Process Trades are may be conducted on a disclosed or an anonymous (Intermediated) basis, and if the latter, the terms set out in Appendices I (*Clearly Erroneous Trade Policy*) and II (*Open Trading Terms*) shall apply.

11.3 Direct Electronic Access (including Direct Market Access and Sponsored Access)

For the purposes of this Rule 11.3 the following definitions apply:

"**Direct Electronic Access**" is an arrangement where a Participant allows any person to submit their own orders directly to the MTF under the Participant's trading codes and includes arrangements which involve the use that third party of the infrastructure or connection system of that Participant.

"**Sponsored Access**" means the same as Direct Electronic Access save for the fact that the Participant's infrastructure or connection system is not used by the third party.

- (a) No Participant may allow any person to submit their own orders directly to the MTF under the Participant's trading codes by way of direct electronic access (as such term is defined in the Glossary of the FCA Handbook)
- (b) Without derogating from 11.3(a) Participants may use Authorised Persons from a third party to execute Transactions on their behalf on the MTF provided such third party Authorised Persons must still satisfy the Participant Eligibility Criteria.

11.4 Market Making

No Participant may act as a Market Maker on the MTF, as such term is defined in Article 2(1)(6) of MiFIR.

11.5 Co-Location and High Frequency Trading

The use of high frequency algorithmic trading techniques and the use of co-location structures (as defined in Regulation 2(1) of the Financial services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017) is prohibited on the MTF.

**12. MARKET MONITORING**

12.1 Monitoring and Supervision

- (a) MarketAxess shall monitor that the System is resilient, has sufficient capacity to deal with peak order and message volumes, is able to ensure orderly trading under conditions of severe

market stress, is fully tested and is subject to effective business continuity arrangements to ensure continuity of its services.

- (b) MarketAxess shall monitor Participants' use of the MTF for signs of Disorderly Trading Conditions, and conduct that may involve Market Abuse and / or manipulation, Suspicious Trades, and compliance with this Rulebook.
- (c) MarketAxess shall co-operate with any Relevant Regulator on matters related to the functioning of the MTF and report to, and provide full assistance to, Relevant Regulators in relation to the conduct of Participants on the MTF, including conduct relating to breaches of these Rules, Disorderly Trading Conditions and potential Market Abuse.

## 12.2 Suspicious Trades

- (a) MarketAxess may conduct a review of a Transaction to determine whether such transaction is a Suspicious Trade as it deems necessary in accordance with Applicable Law. In determining whether a Transaction is a Suspicious Trade, MarketAxess may utilise such information and consult with any relevant parties that it deems appropriate.
- (b) In the event that MarketAxess determines a Trade is a Suspicious Trade, it may take whatever action it deems necessary or appropriate in the circumstances including, without limitation, imposing disciplinary action in accordance with Rule 16.

12.3 The principles of this Rule 12 shall apply equally to orders that do not result in a Transaction. MarketAxess shall not be liable for any losses that Participants suffer as a result of a decision taken or not taken pursuant to this Rule 12.

## **13. TRADING HALTS AND CONSTRAINTS**

13.1 MarketAxess may temporarily halt or constrain trading on the MTF to preserve the integrity of the MTF, prevent disorderly trading (for example, if there is a significant price movement indicating disorderly trading conditions during a short period in an Eligible instrument on the MTF or a related trading venue) or otherwise in accordance with Applicable Law. Where MarketAxess considers it appropriate, it may cancel, vary, or correct any Transaction in order to comply with Applicable Law and / or preserve the integrity of the MTF.

13.2 MarketAxess may reject Instructions that exceed predetermined volume and price thresholds, or which are Clearly Erroneous.

## **14. TELEPHONE RECORDING AND ELECTRONIC CORRESPONDENCE**

14.1 MarketAxess may record and retain certain telephone conversations and electronic correspondence between MarketAxess and Participants that takes place over the MTF and all Participants are deemed to consent to such recordings and retention. Such recordings will be and shall remain the sole property of MarketAxess.

## **15. POST TRADE CONFIRMATION, CLEARING AND SETTLEMENT**

### Trade Messages

15.1 Following each Transaction, the MTF provides electronic trade messages to each Participant containing the details of that Transaction. Subject to MTF approval and System functionality, the configuration and method of delivery of these electronic messages depends upon the Participant's systems settings and method of connectivity to the MTF.

Settlement

- 15.2 Transactions are effected on a bilateral basis between the relevant two Participants, creating rights and obligations between those Participants. Other than Open Trading Transactions, neither MarketAxess nor its Affiliates shall not be a party to, or be responsible or liable to a Participant under or in connection with such Transactions.
- 15.3 MarketAxess is not responsible or liable for the settlement of the Transactions executed by a Participant on the MTF. MarketAxess will, however, provide or make available to each Participant the details of each Transaction in order to facilitate the prompt settlement of these Transactions by that Participant.
- 15.4 Each Participant shall have adequate arrangements in place for the clearing and settlement of Transactions. In particular, each Participant shall ensure that every Transaction is settled in accordance with Applicable Law.
- 15.5 Each Participant shall notify MarketAxess 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.
- 15.6 In respect of Transactions in CSDR Instruments and certain other Eligible Instruments selected in MarketAxess' discretion, the MTF will provide a default settlement date in accordance with the CSDR. A Participant may change the default settlement date, where permitted, in order to conduct a privately negotiated Transaction involving a different settlement date.
- 15.7 When executing Transactions in CSDR Instruments, each Participant shall ensure that:
- (a) Transactions in transferable securities executed on the MTF are recorded in book entry (dematerialised) form on or before the intended settlement date;
  - (b) It takes measures to limit the number of settlement failures, including making arrangements to: (i) ensure the prompt communication of an allocation of securities to the Transaction; (ii) confirm that allocation; (iii) confirm the acceptance or rejection of terms in good time before the intended settlement date; (iv) settle Transactions in CSDR Instruments on the intended settlement date in compliance with CSDR; and
  - (c) In respect of Transactions in CSDR Instruments not cleared by a CCP as defined in CSDR, it shall apply the measures to address settlement fails as required by Applicable Law.
- 15.8 MarketAxess may suspend a Participant's rights to use the MTF in the event that it becomes aware that that Participant fails consistently and systematically to deliver transferable securities on the intended settlement date in compliance with Rule 15.7.

**16. DISCIPLINARY SANCTIONS**

- 16.1 MarketAxess may take disciplinary action against a Participant in circumstances including but not limited to:
- (a) Breach by the Participant of the Rulebook and / or its Agreement;
  - (b) Repudiation or rejection of a Transaction by the Participant;
  - (c) Engagement by the Participant in conduct indicative of Disorderly Trading Conditions or any other conduct which may involve Market Abuse;

- (d) Poor conduct and/or derisory, rude or aggressive behaviour towards MarketAxess staff by a Participant;
  - (e) Being a party to a Suspicious Trade.
- 16.2 MarketAxess may take any action that it deems necessary or appropriate in the circumstances and in order to preserve a fair and orderly market and the integrity of the MTF, including but not limited to:
- (a) Cancellation of Suspicious Trades; and/or
  - (b) Cancellation of all and any outstanding Instructions to the extent technologically possible; and/or
  - (c) If so required in accordance with Applicable Law, reporting any circumstances concerning a Participant's conduct on the MTF to the Relevant Regulator; and/or
  - (d) Suspending or terminating the defaulting Participant's right to use the MTF or access the System; and/or
  - (e) Private written warning or censure; and/or
  - (f) Public disclosure pursuant to and in accordance with Article 7(9) CSDR.
- 16.3 A Participant may appeal a decision made by MarketAxess under this Rule 16 giving its reasons for appealing and any information relevant to the appeal. Any appeal must be made in writing (providing sufficient particulars of the basis for the appeal) and submitted to MarketAxess within a reasonable time of receiving notice from MarketAxess of its decision under this Rule 16. An appropriate member of the senior management of MarketAxess (i.e. a member of the board of directors, or equivalent) shall consider the decision of MarketAxess which is the subject of the appeal and shall notify the Participant of its decision within 15 business days of reaching a decision. The decision of the senior management of MarketAxess shall be final.
- 16.4 MarketAxess shall not be liable for any losses that any Participant suffers as a result of a decision to use, or not to impose, any disciplinary action.

## **17. PRE-TRADE TRANSPARENCY**

- 17.1 MarketAxess shall publish on a continuous basis, during normal trading hours, responses to an Inquiry in MiFID Instruments in accordance with Applicable Law.
- 17.2 Pre-trade transparency publications pursuant to Rule 17.1 are subject to any or all pre-trade transparency waivers set out in Rule 17.3 as applicable.
- 17.3 For so long as relevant under Applicable Law the pre-trade transparency waivers operate as follows:
- (a) **LIS Waiver** – means the waiver in respect of orders which are large in scale as set out in MiFIR Article 9(1)(a) which has the effect that particular responses are not published under Rule 17.1.
  - (b) **Waiver for Illiquid instruments** – means the waiver in respect of a financial instrument or a class of financial instruments for which there is not a liquid market as set out in MiFIR Article 9(1)(c) which has the effect that particular responses are not published under Rule 17.1.
  - (c) **SSTI Waiver** – means the waiver in respect of actionable indications of interest in request-for-quote that are above a size specific to the financial instruments as set out in MiFIR Article 9(1)(b) which has the effect that certain responses are not published under Rule 17.1 Where the SSTI Waiver applies, MarketAxess shall publish the Indicative Price.

17.4 The “**Indicative Price**” is the volume weighted average taking into account the current prices and associated notional amount in current responses to an Inquiry. The point at which responses are assessed for publication is the earlier of immediately prior to Execution or DNT.

## 18. TRADE REPORTING

18.1 MarketAxess shall publish as close to real-time as technically possible, the price, volume, and time of Transactions in MiFID Instruments in accordance with Applicable Law.

18.2 The publications pursuant to Rule 18.1 are subject to any or all post trade transparency deferrals set out in Rule 18.3 and Rule 18.5 as applicable.

18.3 The post trade transparency deferrals set out in (a)-(c) below (“**Deferrals**”) each have the effect that, subject to Rule 18.5, the details of a particular Transactions are not published under Rule 18.1 until no later than 19:00 local time on the second trading day after the date of the Transaction as set out in MiFIR Article 11(1) and Article 8(1) of RTS 2.

(a) **Post Trade LIS Deferral**— means the deferral in respect of Transactions in MiFID Instruments which are large in scale as set out in MiFIR Article 11(1)(a).

(b) **Deferral for Illiquid instruments** – means the deferral in respect of Transactions in MiFID Instruments for which there is not a liquid market as set out in MiFIR Article 11(1)(b).

(c) **Post Trade SSTI Deferral** –means the deferral in respect of Transactions in MiFID Instruments which are (i) executed between a Participant dealing on own account other than on a “matched principal trading” basis as defined in the Glossary to the FCA Handbook and another Participant, and (ii) is above a size specific to the financial instruments as set out in MiFIR Article 11(1)(c).

18.4 For the purpose of implementation of Rule 18.3(c), Participants are required to confirm through the System whether or not they are dealing on own account other than on a matched principal basis.

18.5 In addition, the following supplementary or extended deferrals shall apply:

(a) For Transactions in MiFID Instruments other than sovereign debt, either:

i. **Volume Masked Extended Deferral** – means the extended Deferral in whereby no later than 19:00 local time in the second trading day following the Transaction Date all of the details of an individual Transaction are published with only the omission of volume, and all of the details of the individual Transaction are published before 09:00 local time on the next trading day following 4 weeks from the date of the Transaction, pursuant to Article 11(3)(b) MiFIR and Article 11(1)(b) of RTS 2; or

ii. **Weekly Aggregated Extended Deferral** – means the extended Deferral during which the aggregation of several Transactions per ISIN code executed over the course of one calendar week shall be published on the following Tuesday before 09:00 local time for a period of 4 weeks from the date of the Transaction, pursuant to Article 11(3)(c) MiFIR and Article 11(1)(c) of RTS 2.

(b) For Transactions in MiFID Instruments which are sovereign debt instruments, either

i. **Weekly Aggregated Sovereign Debt** – means the extended Deferral during which the aggregation of several Transactions per ISIN Code executed over the course of one calendar week shall be published on the following Tuesday before 09:00 local time for an indefinite period pursuant to Article 11(3)(d) MiFIR and 11(1)(d) of RTS 2.

- ii. **Volume Masked Weekly Aggregated Sovereign Debt** means the extended Deferral whereby no later than 19:00 local time in the second trading day following the Transaction Date all of the details of an individual Transaction are published with only the omission of volume, and following the expiry of four weeks from the Transaction Date, the aggregation of several Transactions per ISIN Code executed over the course of one calendar week shall be published on the following Tuesday before 09:00 local time for an indefinite period, pursuant to Article 11(3) of MiFIR and Article 11(1)(b) and (d) of RTS 2.

- 18.6 Where data is aggregated pursuant to any supplementary or extended deferral in Rule 18.5, the aggregated data shall contain the weighted average price, the total volume traded in terms of total nominal value and the total number of Transactions.
- 18.7 When the time limit of the deferral pursuant to Rule 18.3 or 18.5 (as applicable) has lapsed, the price, volume, and time of Transactions of the transaction shall be published in accordance with Applicable Law.
- 18.8 Participants shall notify MarketAxess in the event of any cancellation or amendment of a Transaction.
- 18.9 References in this Rule to “local time” shall be the time of the country where the relevant MTF has its registered office.

## **19. TRANSACTION REPORTING**

- 19.1 Each Participant acknowledges and agrees it must satisfy itself that it can and shall comply with any Applicable Law relating to post trade transaction reporting, to the relevant competent authority, as such rules apply to it.
- 19.2 MarketAxess is required to report details of Transactions executed by Non-MiFID Firms to the FCA in MiFID Instruments in accordance with Article 26(5) MiFIR. MarketAxess shall not transaction report on behalf of those Participants that are MiFID Firms who are required to comply with the transaction reporting requirements of Article 26 MiFIR.
- 19.3 A Participant which is a Non-MiFID Firm must:
  - (a) Provide MarketAxess with accurate and complete Transaction Reporting Fields in respect of their Transactions in MiFID Instruments as required by MarketAxess, in the format and within the timescale prescribed by Rule 19.4 in order that the MTF may fulfil its obligations under Article 26(5) MiFIR;
  - (b) Have appropriate controls in place to ensure that the required Transaction Reporting Fields are accurately populated; and
  - (c) Report to the MTF immediately if it discovers that one or more Transaction Reporting Fields have been inaccurately or incompletely populated and cooperate with MarketAxess to rectify any errors.
- 19.4 The information to be provided pursuant to Rule 19.3 shall be delivered as soon as possible following the execution of the Transaction and, in any event before midday on the trading day following the Transaction Date.

## **20. ORDER RECORD KEEPING**

- 20.1 Each Participant must provide all relevant information, as may be required by MarketAxess from time to time, or procure that all relevant information is provided immediately upon request in the format prescribed by MarketAxess and shall do so before the end of each trading day following the Transaction

Date in order that the MTF can fulfil its regulatory obligations to keep records pursuant to MiFIR Article 25.

20.2 MarketAxess shall maintain records of all orders for a minimum of 5 years from the date of the record or otherwise in accordance with Applicable Law.

20.3 MarketAxess shall synchronise the business clocks it uses to record the date and time of any reportable event pursuant to this Rule 20 with the Coordinated Universal Time (UTC).

## 21. PRICE DISCOVERY TOOLS

21.1 Pursuant to certain Protocols, Participants may have access to MarketAxess's Price Discovery Tools to assist in the determination of the price at which Transactions are executed, or to execute at a price determined directly by reference to such Price Discovery Tool (if available). Such Protocols include, but are not limited to, Internal Crossing, Mid-X, and some Automation Solutions. The Price Discovery Tools are provided solely for purposes ancillary to execution on the MTF.

21.2 Use of the MarketAxess Price Discovery Tools does not constitute a recommendation or investment advice on the part of any MarketAxess or any affiliated entity to execute a Transaction at that price. When utilising any Price Discovery Tool, the Participant acknowledges and agrees that it is solely responsible for confirming that such price is an appropriate price, or price target, and for verifying any pricing information provided by the Price Discovery Tool.

21.3 When using MarketAxess Price Discovery Tools, Participants represent that they or their Authorised Persons are capable of evaluating investment risks independently, and that they exercise independent judgment in evaluating MarketAxess Price Discovery Tools. MarketAxess Price Discovery Tools shall be considered confidential information of MarketAxess and shall not be distributed to third parties without MarketAxess's written consent.

21.4 MarketAxess provides access to such Price Discovery Tools solely on the condition that Participant agrees that neither MarketAxess nor any of its Affiliates shall be responsible or liable in any way for any losses or claims related to Participant's use of any MarketAxess Price Discovery Tools for any purpose (including, but not limited to, any reliance placed on such MarketAxess Price Discovery Tools or for any missed trading opportunities or other losses).

21.5 MarketAxess Composite Prices are based on the internal methodologies of MarketAxess or its Affiliates. MarketAxess Price Discovery Tools are provided on an "as is" and "as available" basis and, to the fullest extent permitted by Applicable Law, provided without any warranties, representations, guarantees, undertakings, terms or conditions of any kind, whether express or implied, including those relating to satisfactory quality, merchantability, quantity, fitness for purpose or use, completeness, validity, accuracy, timeliness and uninterrupted or availability.

21.6 Use of the MarketAxess Price Discovery Tools is subject also to the provisions of Rule 7.5.

## 22. RESOLUTION EVENTS

For the purpose of this Rule 22:

**"Relevant Participant"** means Participants which are subject to the Bank Recovery and Resolution Directive (2014/59/EU) in respect of the MTF Business.

**"Resolution Event"** means the bankruptcy, insolvency, liquidation, receivership, unwinding or other restructuring of a Relevant Participant, or of the parent company or group holding company of such Relevant Participant, to the extent this has a direct impact on the Relevant Participant.

22.1 This Rule 22 applies only to Relevant Participants.



22.2 In the event of a Resolution Event, MarketAxess shall not suspend or terminate:

- (a) A Relevant Participant's right to access and / or use the MTF; and / or
- (b) The Relevant Participant's Agreement in respect of MTF Business.

In direct response to the Resolution Event, provided that the Relevant Participant has complied with, and continues to adhere to, its material obligations (including any relevant payment obligations, including MTF fees schedules) under this Rulebook, its Agreement and any appendices and schedules thereto ("**Substantive Obligations**").

22.3 If, as a result of a Resolution Event, a relevant regulator with jurisdiction over the Relevant Participant (or other body analogous thereto) requires the: (i) merger, (ii) acquisition, (iii) divestiture, (iv) consolidation, (v) change of control, or (vi) corporate reorganisation of a Relevant Participant ("**Regulatory Request**"), then, subject to Applicable Law and the Rulebook, MarketAxess shall facilitate the transfer of the Participant's Agreement to an entity to which all or a part of the assets of the Participant have been transferred as a result of, or in connection with, such Relevant Regulator Request ("**Transferee**"), and the Transferee shall assume any pre-existing Substantive Obligations.

22.4 In the event of a Regulatory Request following a Resolution Event and subject to continued compliance by the Relevant Participant or the Transferee (as applicable) with the Substantive Obligations and assumption of any pre-existing Substantive Obligations by the Transferee, MarketAxess shall, subject to Applicable Law and the Rulebook and at the cost (if any) of the Participant and / or its Group:

- (a) Provide reasonable support to assist the Relevant Participant in conducting an orderly transition, in migrating Participant's right to access and / or use the MTF (in whole or in part) pursuant to the Relevant Regulator Request;
- (b) Ensure that the continuity of access and / or use of the MTF for the Transferee as referred to in Rule 22.3 shall be on the same terms and conditions and Rules as would have been applicable to the Relevant Participant, including the requirement to comply with any subsequent changes to those conditions and Rules e.g. without limitation, changes to the MTF fee schedule or this Rulebook generally; and/or
- (c) Ensure the continuity of access and / or use of the MTF for the Transferee as referred to in Rule 22.3 on the same terms and conditions and Rules as would have been applicable to the Relevant Participant, for such time as is required by the Regulatory Request including the requirement to comply with any subsequent changes to those conditions and Rules e.g. without limitation, changes to the MTF fee schedule or this Rulebook generally, to a divested group entity of the Relevant Participant other than the Transferee for such time as is required by the Regulatory Request or as agreed between the Resolution Recipient and MarketAxess.

22.5 Notwithstanding this Rule 22, in the Event of Default the occurrence of a Resolution Event does not preclude MarketAxess from exercising any of its other suspension or termination or other rights pursuant to this Rulebook.

## **23. COMPLAINTS**

23.1 If a Participant has a complaint about MarketAxess, or another Participant's conduct in using the MTF, such complaint should be made in writing (including by electronic mail) to MarketAxess as follows:

Compliance Department  
 MarketAxess Europe Limited  
 5 Aldermanbury Square  
 London EC2V 7HR

Email: [ComplianceEU@marketaxess.com](mailto:ComplianceEU@marketaxess.com)

- 23.2 If the Participant is not satisfied with the response (or does not wish to raise the matter with its usual contact), it may contact the MarketAxess CEO, General Counsel or Head of Compliance per the contact details above.

## **24. AMENDMENTS**

- 24.1 MarketAxess may in its absolute discretion, and at any time, supplement, amend, or replace these Rules partially or wholly.
- 24.2 Participants shall be notified of any such change to the Rules by notice (a "**Notice**") which will be issued to all Participants giving reasonable prior notice for any material changes. MarketAxess may make any non-material changes without prior notice.
- 24.3 Any such Notices shall supplement and form part of these Rules effective from the date specified in the Notice. Such notification may be made by letter, e-mail or notice on the MarketAxess Website describing the relevant changes or by otherwise sending to Participant an electronic copy of the amended Rulebook. Continued Participation on the MTF (in accordance with Rule 4.4) following the expiry of the notice period stated in the relevant Notice constitutes deemed acceptance by the Participant of the amendments and acknowledgement of the revised Rulebook. In the event there is no express notice period in a Notice, the effective date of any proposed amendment shall be the date 30 days from the date of the Notice.

## **25. FEES**

- 25.1 Fee schedules in relation to the MTF, (including charges payable for MTF market data) are published on the MarketAxess Website.
- 25.2 If MarketAxess becomes aware that an amount received by way of fees is in excess of the amount due from the Participant, MarketAxess shall as soon as reasonably practicable calculate the amount of the excess payment and notify Participant promptly of the excess. Unless otherwise agreed with the Participant, such payment shall be deemed to constitute advance payment in respect of that Participant's future obligations.

## **26. GOVERNING LAW AND OTHER PROVISIONS**

- 26.1 Without prejudice to any provisions of other documents which are expressed to survive termination of a Participant's Participation on the MTF, Rules 23 (*Complaints*) and 16 (*Disciplinary Sanctions*) will survive termination of a Participant's Participation on the MTF.
- 26.2 This Rulebook and all non-contractual or other obligations arising out of or in connection with this Rulebook shall be governed and interpreted in accordance with the laws of England. Any dispute arising out of or in connection with this Rulebook shall be subject to the exclusive jurisdiction of the English courts.

## APPENDIX I - CLEARLY ERRONEOUS TRADE POLICY

## 1. SCOPE

- 1.1 Chapter 5.3 of the Market Conduct Sourcebook of the FCA Handbook establishes the general organisational requirement for all MTFs to have transparent and non-discriminatory rules and procedures that provide for fair and orderly trading and establish objective criteria for the efficient execution of orders. Pursuant to this requirement, MarketAxess will use this Clearly Erroneous Trade Policy to address trade errors and disputes for all trades executed pursuant to any Open Trading Protocol.
- 1.2 By using any of MarketAxess's Open Trading Protocols, each MarketAxess Participant agrees to be bound by and comply with this Clearly Erroneous Trade Policy and accepts MarketAxess's right to cancel or adjust any Trade as described in this Policy. Any Participant that does not agree, should not use any Open Trading Protocol. Open Trading Protocols are made available solely on the condition that each Participant partaking in such Protocols agrees to abide by MarketAxess's determinations under this Policy.
- 1.3 In the event of any inconsistency between this Appendix I and any other Appendix to this Rulebook, the provisions of this Appendix I (*Clearly Erroneous Trade Policy*) shall prevail.

## 2. DEFINITIONS

- 2.1 Capitalised Terms in this Appendix I shall have the same meaning as given in the Rulebook unless expressly stated otherwise.
- 2.2 For the purposes of this Appendix I:

"**Clearly Erroneous Trade**" is a Transaction which MarketAxess considers, in each case in its sole discretion:

- i. To have been executed at a pricing level (including without limitation: price, spread, yield, discount, margin or other applicable pricing convention) that is clearly inconsistent with the current or expected market for that security at the time of execution<sup>1</sup>; or
- ii. To have been executed on any term (such as, without limitation, identification of the security, side, size, benchmark, or trading with or without accrued interest) that is inconsistent with prevailing market practice or that MarketAxess believes would have reasonably appeared to the contra-Open Trading Participant to have been entered or calculated in error under the given circumstance; or
- iii. Has been rejected by, or is incapable of normal settlement and clearing by the relevant clearing house, either parties to the Transaction, or MarketAxess's designated third party clearing firm (e.g. for reasons including but not limited to below minimum size, and/or that the instrument, or the counterparty, is subject to government sanctions); or
- iv. Would be detrimental to the integrity of the MTF and/or inconsistent with just and equitable principles of trade;

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<sup>1</sup> See paragraph 4.5 of this Clearly Erroneous Trade Policy

"**Clearly Erroneous Trade Policy**" has the meaning given in paragraph 3 of this Appendix I; and

"**System Disruption or Malfunction**" means:

- i. Any disruption, malfunction or technical failure of the System, or any part of the System, including any electronic communications, not operating as intended by MarketAxess or which has resulted in a Transaction being incorrectly processed by the System (as determined by MarketAxess in its sole discretion); or
- ii. The incorporation into, or use by, the System of any calculation, reference data or reference price (including without limitation a Price Discovery Tool) which has been determined by MarketAxess in its sole discretion to be incorrect, stale or otherwise erroneous;
- iii. In relation to any Automation Protocols, the failure, (as determined by MarketAxess in its sole discretion) of the System or MarketAxess to correctly apply the trading criteria, defaults or settings entered by the Participant; or
- iv. For Eligible Instruments trading on a spread to treasury basis, the failure of the System to use the benchmark treasury accepted by the bond markets as the convention for such Eligible Instrument, or the failure of the System to use current prices of such benchmark treasury during the spotting process (in each case such failure being determined by MarketAxess in its sole discretion).

### **3. CLEARLY ERRONEOUS TRADE POLICY**

- 3.1 In order to promote the integrity of the MTF and to provide transparent and non-discriminatory rules and procedures providing for fair and orderly trading, MarketAxess will use the Clearly Erroneous Trade Policy to address trade errors and disputes for all Open Trading Transactions and Transactions conducted through Intermediated Protocols.
- 3.2 In the event MarketAxess determines, in its sole discretion, that the Open Trading Transaction is a Clearly Erroneous Trade, or is the result of, or otherwise impacted by, a System Disruption or Malfunction, MarketAxess may: (i) break the Open Trading Transaction; (ii) modify the terms of the Transaction (subject to the consent of the parties to the applicable Transaction); or (iii) cancel the Open Trading Transaction.
- 3.3 If MarketAxess determines a Trade should be cancelled in accordance with this Appendix I, the relevant Participants shall take such steps as may be necessary to effect such cancellation in accordance with market convention.
- 3.4 Subject to paragraph 2.2, MarketAxess may conduct a review of an Open Trading Transaction to determine whether such transaction is a Clearly Erroneous Trade either:
  - (a) At the request of a Participant to an Open Trading Transaction within thirty (30) minutes of the execution of an Open Trading Transaction; and / or
  - (b) At its own discretion; and / or
  - (c) Otherwise in accordance with Applicable Law or market convention.
- 3.5 MarketAxess may determine prior to settlement of the Open Trading Transaction that circumstances warrant a trade review regardless of whether or not a review request has been submitted.

- 3.6 In no event shall MarketAxess carry out a review of an Open Trading Transaction or resolve any trade errors or disputes which occur after the Open Trading Transaction has settled.
- 3.7 Within thirty (30) minutes of the execution of an Open Trading Transaction, a Participant may request a review of an Open Trading Transaction in accordance with this Appendix I. MarketAxess will consider each trade review request on a case-by-case basis. MarketAxess shall determine in its sole discretion whether the circumstances warrant a trade review.
- 3.8 MarketAxess will use its reasonable efforts to resolve any issue arising in connection with a trade review within four (4) business hours of the time that the trade review is commenced and will promptly notify the relevant Participants of any final determination that it makes, by electronic communication. All decisions by MarketAxess pursuant to this Policy are final and not subject to further review or appeal.
- 3.9 In determining whether an Open Trading Transaction is a Clearly Erroneous Trade, or otherwise impacted by a System Disruption or Malfunction, MarketAxess may utilise such information and consult with any relevant parties or Participants that it, in its sole discretion, deems appropriate, including, without limitation:
- (a) Transactions on the System or publicly reported trades which occurred prior to and following the alleged erroneous trade;
  - (b) Indicative pricing either available on the System or sourced from third parties;
  - (c) Outgoing calls to independent Participants to determine the expected level for the security traded at the time in question;
  - (d) MarketAxess' in-house market knowledge and expertise;
  - (e) Whether the Participant requesting the review is the liquidity provider or the liquidity taker;
  - (f) Any recorded communications in connection with the Open Trading Transaction;
  - (g) Whether any material news<sup>2</sup> had been disseminated about the issuer of the Eligible Instrument prior to the time of execution as well as the timing of such news dissemination;
  - (h) Any electronic or other communications involving the terms of the trade may also be a significant consideration in determining whether such trade is considered Clearly Erroneous or otherwise impacted by a System Disruption or Malfunction;
  - (i) The promptness of the review request (if applicable); and / or
  - (j) Any other information MarketAxess deems to be relevant in the circumstances.

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<sup>2</sup> In determining whether material news has been released under this Appendix I (*Clearly Erroneous Trade Policy*), MarketAxess will consider news disseminated by generally recognised national news sources or wire services which are reasonably designed to provide broad, non-exclusionary distribution of the information to the public (e.g. EDGAR, Dow Jones, Bloomberg, PR Newswire). If Participants expect MarketAxess to consider news disseminated by other sources they must provide the news in writing to MarketAxess in a timely fashion. MarketAxess does not guarantee such news will be taken into account.

- 3.10 Any electronic or other communications involving the terms of the trade will also be a significant consideration in determining whether such trade is considered a Clearly Erroneous Trade or otherwise impacted by, a System Disruption or Malfunction.
- 3.11 MarketAxess shall not be liable for any losses that Participants suffer as a result of a decision to review, or not to review, an Open Trading Transaction; or to use, or not to use, its Clearly Erroneous Trade Policy, or for any action or inaction pursuant to this Policy. Each Participant shall reimburse MarketAxess for any losses, costs, or expenses MarketAxess incurs as a result of such Participant's failure to abide by MarketAxess's determinations under this Policy.
- 3.12 In all circumstances the Open Trading Transaction shall remain an obligation of the relevant Participants who are a party to the Open Trading Transaction and subject to any agreements between MarketAxess and such Participants (including this Rulebook) until MarketAxess notifies such Participants by telephone or mail that the Open Trading Transaction has been adjusted or cancelled pursuant to this Policy.

#### **4. REVIEW PROCESS**

- 4.1 Review of an Open Trading Transaction may be initiated by a Participant that is a party to the Open Trading Transaction pursuant to paragraph 4 of this Appendix I, or by MarketAxess. MarketAxess reserves the right to initiate a review of an Open Trading Transaction prior to trade settlement, regardless of whether a party to the trade has requested a review, if MarketAxess determines, in its sole discretion, that circumstances warrant such a review.
- 4.2 To request a review of an Open Trading Transaction, a Participant to the applicable Open Trading Transaction must notify MarketAxess by telephone at +44 (0) 207 709 3290 or via email to [otdesk@marketaxess.com](mailto:otdesk@marketaxess.com) within thirty (30) minutes of execution of the Transaction. Review requests must include the following information:
- Trade ID(s);
  - Issuer Name and CUSIP/ISIN;
  - Number of bonds;
  - Spread/price(s);
  - Side (bought or sold);
  - Factual basis for believing that the execution is either a Clearly Erroneous Trade or otherwise impacted by, a System Disruption or Malfunction, or other.
- 4.3 Each review request will be considered on a case-by-case basis by MarketAxess. In the event that a party properly requests a trade review or if MarketAxess initiates a trade review, MarketAxess will promptly notify the trading desk or trade support operations of the other party to the trade by phone or email. MarketAxess will use its commercially reasonable efforts to resolve any trade review within four business hours of the time that the trade review is commenced.
- 4.4 In all circumstances, the trade will remain an obligation of the Participants that are the parties to the Open Trading Transaction and subject to any agreements between MarketAxess and such Participants, until MarketAxess notifies such Participants of its final determination in accordance with paragraph 7 of this Appendix I.

- 4.5 MarketAxess reserves the right, in its sole discretion, to determine that a Trade was not clearly erroneous and should not be cancelled when the market for the security at the time of execution of the trade was too volatile or illiquid for MarketAxess to discern the then-current or expected market level of the security. Although the MarketAxess System may provide a pre-trade warning that the market for a security is, or recently has been, volatile, the absence of such a warning does not mean that MarketAxess will be able to discern the then-current or expected market level of the security in the event of a trade review.
- 4.6 The party requesting a review of an Open Trading Transaction may withdraw its request by telephone at +44 (0)207 709 3290 or via email to [otdesk@marketaxess.com](mailto:otdesk@marketaxess.com) at any time prior to the time MarketAxess notifies the parties to the Open Trading Transaction of its final determination.
- 4.7 In the event that a Trade is not eligible for review under this Appendix I (e.g. due to a review request being initiated later than thirty (30) minutes after the trade), MarketAxess may nonetheless, in its discretion, attempt to get a mutually agreed upon trade adjustment, cancellation or reversal with the contra Open Trading Participant, although MarketAxess will be under no obligation to do so. In such instance, MarketAxess solely facilitates such requests by contacting the contra Open Trading Participant for its assent to voluntarily adjust, cancel, or reverse the subject Transaction; however, MarketAxess will not have any discretion over the actions of the respective counterparties in this regard.

## **5. PARTICIPANT RESPONSIBILITIES**

- 5.1 Participants are responsible for ensuring the accuracy and completeness of all information transmitted to the System. Accordingly:
- (a) Traders should inspect each Instruction prior to submitting it to the MTF;
  - (b) Traders should use available software warnings and protections;
  - (c) Traders should review trade details promptly after execution;
  - (d) An assertion that a Participant made a mistake in entering an Inquiry, order, RFQ or a quote, or that a Participant failed to pay attention or update a quote, may not be sufficient for MarketAxess to determine that a Trade is considered a Clearly Erroneous Trade; and
  - (e) No price adjustment or cancellation can be assured or guaranteed and a Trade will stand unless and until MarketAxess notifies the Participants by e-mail that the trade has been adjusted or cancelled.

## **6. CORPORATE ACTIONS**

- 6.1 MarketAxess may deactivate a bond from Open Trading (or any other Protocol in which MACL is inserted upon execution as the matched principal counterparty to the Transaction) if that bond is the subject of a corporate action (e.g., tender or exchange offer, call, partial call) until the action is complete or the details of the corporate action have been broadly disseminated. Bonds subject to a corporate action may also be deactivated in advance of the expiration date of that corporate action. Participants should be aware that, in the event that MarketAxess does not deactivate the bond prior to the execution of a Trade, MarketAxess may cancel the trade if MarketAxess determines, in its sole discretion, that (i) such trade is a Clearly Erroneous Trade, (ii) the pendency of the corporate action creates any risk of loss to MarketAxess or (iii) the Participant that is the buyer in the transaction would be negatively impacted by the timing of the corporate action in relation to the time of execution of the trade (e.g., partial call has reduced position). If a Participant's failure to settle a relevant Transaction in a timely manner in relation

to a bond that is subject to a corporate action negatively impacts the contra participant's ability to participate in the corporate action, such failing Participant shall be liable for any losses, costs, or expenses that MarketAxess or the contra- participant incurs as a result of such Participant's settlement failure.

## 7. CATASTROPHIC ERRORS

7.1 In the event of a Catastrophic Error, MarketAxess shall have the right to (i) initiate a review of any Open Trading Transaction regardless of whether a party to the Transaction has timely requested a review; and (ii) determine that all Open Trading transactions impacted by the Catastrophic Error, as determined by MarketAxess in its sole discretion, shall be cancelled in accordance with paragraph 8 (*Determinations*) of this Appendix I. A “**Catastrophic Error**” will be deemed to have occurred when (i) four or more Participants or ten or more Transactions are impacted by a System Disruption or Malfunction, even if such Transactions are not otherwise Clearly Erroneous Trades; or (ii) a single Participant causes, or is involved in, four or more Clearly Erroneous Trades in a single day.

## 8. DETERMINATIONS

8.1 Upon the electronic communication by MarketAxess of any final determination of a trade review, each Participant shall promptly implement the determination.

8.2 If the final determination by MarketAxess is that an Open Trading Transaction shall be cancelled, MarketAxess and each affected Participant shall cancel all trade legs associated with the Open Trading Transaction at issue (including any back-to-back transactions) and amend any previously submitted transaction reports, as applicable in accordance with market convention and Applicable Law (unless both Participants have agreed to modify the terms of the Open Trading Transaction in accordance with paragraph 2.2 of this Policy).

8.3 If the final determination by MarketAxess is that an Open Trading Transaction shall stand, the relevant Participants shall take such steps as may be necessary to settle such Open Trading Transaction in accordance with market convention and Applicable Law.

8.4 In no event can resolution of trade errors or disputes occur under this Policy after the trade has settled.

8.5 All decisions by MarketAxess pursuant to this Policy are final and not subject to further review or appeal.

8.6 MarketAxess shall not be liable for losses or damages arising as a result of MarketAxess’ action or inaction pursuant to this Policy. Each Participant shall reimburse MarketAxess for any losses, costs, or expenses MarketAxess incurs as a result of such Participant’s failure to abide by MarketAxess’ determinations under this Policy.

## 9. VARIATION

9.1 MarketAxess reserves the right to modify this Appendix I from time to time at its sole discretion in accordance with Rule 24 of the Rulebook. A Participant's continued use of the MTF shall constitute its acceptance of such modifications such modifications, and of MarketAxess’ Clearly Erroneous Trade Policy.



## APPENDIX II - OPEN TRADING TERMS

## 1. APPLICATION

- 1.1 The Open Trading Protocols are a set of Intermediated Trading Protocols described in Rule 11.2 in which MACL, an Affiliate of MarketAxess, selected and approved by the Participants for such purpose, is interposed as the trading counterparty on a matched principal basis between the two relevant Participants who have agreed the parameters of the Transaction.
- 1.2 Pursuant to the terms of this Appendix II and notwithstanding anything to the contrary in a relevant Agreement, "**Open Trading Approval Conditions**" means:
  - (a) The counterparty credit risk approval of the relevant Participant; and
  - (b) Any other approval which may be deemed necessary by MarketAxess or MACL as a pre-requisite for entering into Open Trading Transactions.
- 1.3 Subject to satisfying the Open Trading Approval Conditions, MarketAxess hereby extends the License in the Agreement to cover a Participant's use of the System for the purposes of entering into Open Trading Transactions via the System.
- 1.4 Terms applicable to Open Trading are set out in this Appendix II and only apply where a Participant executes an Open Trading Transaction, and where MACL is selected and approved by the relevant Participant as a matched principal counterparty prior to execution.
- 1.5 The terms set out in the Appendix I (*Clearly Erroneous Trade Policy*) apply to all Open Trading Protocols. In the event of any inconsistency between Appendix I (*Clearly Erroneous Trade Policy*) and this Appendix II (*Open Trading Terms*), the provisions of Appendix I (*Clearly Erroneous Trade Policy*) shall prevail.
- 1.6 The terms in this Appendix II are supplemental to Rules 1-26 inclusive of the Rulebook and the Agreement, and apply to a Participants' use of Open Trading. Subject to paragraph 1.2 of these Terms (with respect to the Agreement only), in the event that a Participant has already entered into supplemental Open Trading terms with MarketAxess and where such terms have not been expressly terminated, such terms shall apply to the extent those terms are supplemental to and not inconsistent with this Appendix II (*Open Trading Terms*). The provisions of Appendix I (*Clearly Erroneous Trade Policy*) and this Appendix II (*Open Trading Terms*) shall always prevail over any inconsistency, in that order of priority.
- 1.7 In providing Open Trading to a Participant, neither MarketAxess nor MACL is required by Applicable Law to assess whether a proposed Open Trading Transaction is suitable or appropriate for the relevant Participant entering into the Open Trading Transaction. Each Participant must at all times take responsibility for the execution of its Open Trading Transactions. Nothing in this Appendix II will imply that either MarketAxess or MACL has a duty to provide a Participant with on-going information or guidance in respect of any Open Trading Transaction or any investment.
- 1.8 In respect of Open Trading Transactions entered into by a Participant, neither MarketAxess nor MACL shall be:
  - (a) Obligated to identify to any Participant or any other person or Participant involved in an Open Trading Transaction under any circumstances, unless the Open Trading protocol provides for name disclosure in the normal course; nor
  - (b) Obligated to verify, correct, complete or update any Information displayed on the System.

## 2. INSTRUCTIONS

- 2.1 In respect of any Instruction transmitted by a Participant to execute an Open Trading Transaction ("**OT Instruction**"):
- (a) Each Participant will be responsible for and bound by all contracts, obligations, costs, and expenses entered into in consequence of or in connection with OT Instructions; and
  - (b) MarketAxess or MACL may, in its absolute discretion, decline to accept any Open Trading Instruction a Participant may give, or having accepted it, refuse to act on it, if MarketAxess believes that the Open Trading Instruction concerned (or the consequences of it) would be improper, unlawful, or clearly erroneous in accordance with the MarketAxess Clearly Erroneous Trade Policy.

## 3. AGENCY & ALLOCATION

- 3.1 Solely for the purposes of the client categorisation rules, MarketAxess, shall treat the Participant as its client in accordance with the relevant MiFID client categorisation if so required. This is the case irrespective of whether the Participant is acting as agent or intermediary for a Principal.
- 3.2 In the event that a Participant, acting as agent, executes an Open Trading Transaction on behalf of a Principal, the Participant will allocate the Open Trading Transaction either to a single Principal or to more than one Principal and shall notify MarketAxess or MACL, or MACL's settlement agent (as notified by MarketAxess) of such allocation. The allocation and notification shall be made as soon as possible and, in any event before the earlier of (i) the close of business on the Trading Day following the Open Trading Transaction date; or (ii) one hour before the regulatory deadline for transaction reporting according to Applicable Law. MarketAxess agrees and acknowledges that pursuant to such allocation each Principal shall be responsible only for that part of the Open Trading Transaction allocated to it, *provided that* the Participant as agent allocates the entire Open Trading Transaction to one or more Principals.
- 3.3 Where a Participant is acting as agent on behalf of a Principal, then with effect from execution of the Open Trading Transaction, a contract on the terms of the Open Trading Transaction shall be deemed to have been entered into between MACL and each Principal or Principals in question, regardless of the whether or not the Principal was disclosed or identified to MarketAxess at the time of execution of the Open Trading Transaction.
- 3.4 For the avoidance of doubt neither MarketAxess nor MACL shall act as agent for any Participant under Open Trading.

## 4. MACL'S WARRANTIES

MACL warrants that:

- (a) MACL is authorised and regulated by the FCA;
- (b) MACL is a Participant on the MTF;
- (c) MACL shall comply with all Transaction reporting obligations applicable to it in respect of all Open Trading Transactions subject to these terms; and

- (d) Should MACL cease to be regulated by the FCA, it shall make all reasonable efforts to notify the Participants prior to such change in regulatory status, to the extent permissible under Applicable Law.

## **5. EVENT OF DEFAULT**

- 5.1 In addition to the Disciplinary Sanctions available to it under Rule 16 of the Rulebook, in the event of a persisting trade fail or Insolvency Event in respect of a Participant in an Open Trading Transaction, or if MarketAxess reasonably considers (in its sole discretion) that a Participant is otherwise unable to meet their obligations to settle its side of the Open Trading Transaction, subject to and in addition to remedies available under Applicable Law MACL may close out, terminate, void, replace or reverse all or any part of any Open Trading Transaction to which the defaulting Participant is a party and instruct its settlement agent not to settle such Open Trading Transaction (or any part of it), or take, or refrain from taking, such other action at such time or times and in such manner as, at its sole discretion, MarketAxess considers necessary or appropriate to cover, reduce or eliminate MarketAxess's loss or liability under or in respect of any contracts, positions or commitments.
- 5.2 In the event of an Insolvency Event, the defaulting Participant's obligation to deliver securities or cash to MACL shall be replaced by a cash settlement between the defaulting Participant and MACL equal to the economic equivalent of the Transaction. This is to be understood as the amount (as determined in good faith by MACL) of any net losses that are or would be incurred or of any net gains that are or would be realised by MACL under the then prevailing circumstances in replacing, or procuring for MACL, the economic equivalent of the material terms of that replaced Transaction, including the payments and deliveries by the parties in respect of that terminated Transaction that would, but for the occurrence of the relevant Insolvency Event have been required.

## **6. POST TRADE AND SETTLEMENT**

- 6.1 In respect of all Open Trading Transactions subject to these terms, MACL will be responsible for all obligations including settlement, relating to its side of the Open Trading Transaction. A settlement agent selected by MACL and notified to the Participant will act on behalf of MACL in relation to the clearing and settlement of all Open Trading Transactions, and settlement of such trades is subject to the procedures of such firm in the normal course of business.
- 6.2 By entering into an Open Trading Transaction, a Participant agrees that it shall be responsible for any charges, fees, penalties, or other costs incurred by MACL or any of its Affiliates resulting from the Participant's failure to deliver securities or cash for such transaction by the required settlement date (each, a "**Fails Expense**"). The Participant also agrees that the failure of MACL or any of its Affiliates to seek to recover any Fails Expense in any one transaction or in multiple transactions shall not constitute a waiver of the foregoing rights with regard to any other Open Trading Transaction that results in a Fails Expense. The claim of a Fails Expense by MACL or any of its Affiliates shall not be without prejudice to any other rights or remedies available to them, and shall not constitute a waiver of their right to exercise any other remedy.

## **7. TRANSACTION REPORTING AND OPEN TRADING SERVICES**

- 7.1 In respect of Open Trading Transactions subject to these terms, MACL will comply with transaction reporting requirements applicable to it in accordance with the FCA rules. Other than the representations and warranties contained in paragraph 4 of these terms, neither MarketAxess nor MACL provides any further representations, nor makes any undertakings, in relation to transaction

reporting. Each Participant acknowledges and agrees that it must satisfy and comply with any applicable FCA rules relating to transaction reporting as they apply to it.

## **8. FEES**

- 8.1 Fees for Open Trading Transactions shall be disclosed electronically to a Participant prior to or at the point of trading unless stated otherwise in the Appendix II pertaining to a particular Protocol.

## **9. CONDUCT OF BUSINESS OBLIGATIONS AND BEST EXECUTION**

- 9.1 For the avoidance of doubt, under the Applicable Law including COBS 1 Annex 1 of the FCA Handbook, certain conduct of business rules including, without limitation, those relating to best execution, are not applicable between MTF participants to transactions concluded under the rules of that MTF and, accordingly, neither MarketAxess nor MACL (in their respective capacities as MTF operator and Participant on the MTF) owes any Participants a duty of best execution with respect to Open Trading Transactions. Each Participant may however owe a duty of best execution to its underlying client.
- 9.2 The rules relating to client limit orders do not apply to Open Trading and accordingly, neither MarketAxess nor MACL can obtain consent to the non-publication of limit orders in connection with a Participant's use of Open Trading.
- 9.3 Participants (and not MarketAxess or MACL) control the orders / Instructions entered using Open Trading and neither MarketAxess nor MACL aggregate orders on behalf of a Participant utilising Open Trading.
- 9.4 Participants acknowledge that pursuant to Open Trading, the Participant retains full control and ultimate discretion over the choice of whether or not to accept or submit a price. Accordingly, there is no reliance by the Participant on MarketAxess or its Affiliates whether or not to execute the Open Trading Transaction.

## **10. CLIENT MONEY / ASSETS**

- 10.1 MarketAxess does not offer custodial services and accordingly neither MarketAxess nor MACL will hold any client money or client assets on behalf of a Participant.

## **11. VARIATION**

- 11.1 MarketAxess reserves the right to modify this Appendix II from time to time at its sole discretion in accordance with Rule 24 of the Rulebook and a Participant's continued use of the Open Trading, and MACL's continuance of its role as matched principal counterparty to the Open Trading Transactions shall constitute their respective acceptance of such modifications.

## **12. TAX**

- 12.1 Participants are responsible for determining whether any tax liability may arise from their Transactions, and for applying for any relevant exemption from such taxes. Participants are solely liable for the payment of any taxes in relation to their Transactions.

**APPENDIX III - CONTINGENT CONVERTIBLE SECURITIES**

1. Any contingent convertible securities ("**CoCo Securities**") traded on the MTF are complex financial instruments and are not a suitable or appropriate investment for all investors.
2. Under chapter 22 of the COBS Sourcebook of the FCA Handbook (as amended or replaced from time to time, "**COBS 22**"), a "firm" (as defined in the Glossary of the FCA Handbook) must not sell the CoCo Securities to Retail Clients in the UK and must not do anything that would or might result in the buying of the CoCo Securities or of a beneficial interest in the CoCo Securities by a Retail Client in the UK, other than in accordance with the limited exemptions set out in COBS 22.
3. For the purposes of this Appendix III, a "Non-Exempt Retail Client" means a Retail Client that does not fall within one of the exemptions set out in COBS 22.
4. By accessing the MTF, each Participant represents and warrants to MarketAxess and to any counterparty with which it trades over the MTF that:
  - (a) It is not a Non-Exempt Retail Client in the UK;
  - (b) It will not sell or offer the CoCo Securities to Retail Clients in the UK or do anything (including the distribution of relevant documents) that would or might result in the buying of the CoCo Securities, or of a beneficial interest in the CoCo Securities by a Retail Client in the UK, other than in circumstances that do not and will not give rise to a contravention of COBS 22.
5. Where acting as agent on behalf of a disclosed or undisclosed client when accessing the MTF, the foregoing representations and warranties will be given by and be binding upon both the agent and its underlying client.

## APPENDIX IV - API LICENSE

**1. SCOPE**

- 1.1 An API License applies only where a Participant wishes to use, and MarketAxess has agreed to provide, an API in order to engage in and execute Transactions on the MTF (together the "**API Services**"). The terms applicable to the API services are set out in this Appendix IV.
- 1.2 Where a MarketAxess application programming interface is used to facilitate connectivity to a third party system, such activity constitutes non-MTF Business. In such event, this Rulebook shall not apply and only the terms of an Agreement shall apply to such non-MTF Business.
- 1.3 This API License is supplemental to the terms set out in the Rulebook and applies to a Participant automatically where that Participant installs, accesses, or uses the API Services (either directly or indirectly through a third party). Capitalised terms used in this API License have the same meaning as given to them in the Rulebook or the Agreement as applicable unless expressly stated otherwise.
- 1.4 Pursuant to this API License, MarketAxess may make the API and the API Services available to a Participant. For the purposes of this API License the API shall be deemed to form part of the System. In the event and to the extent only of any conflict between terms of this API License (Appendix IV) and the provisions of an Agreement, and the provisions of any other Appendix to this Rulebook pertaining to a Protocol which is accessed via API, the conflict shall be resolved in the following order of priority:
- (a) The terms of the other Appendix in accordance with the terms of that other Appendix; then
  - (b) This API License (Appendix IV); then
  - (c) The Agreement;

**2. API LICENSE****2.1 Grant of license**

Subject to the terms of the Rulebook and this API License, MarketAxess grants each Participant a non-exclusive, non-sub licensable and non-transferable license during the term of this API License to use the API to:

- (a) Develop, build, support and maintain the software application, website, or other interface that the Participant develops, owns or operates solely to interact with the API (an "**Application**"); and /or
- (b) To interact with the System in both a test environment and a production environment; and /or
- (c) To receive and transmit Content solely as necessary to facilitate the API Services through the Application.

**2.2 Restrictions**

Except as otherwise provided for under this API License, the Participant will not, and will not permit any person under its control to:

- (a) Tamper with, adapt, reverse engineer, translate, decompile, disassemble, modify, copy, disseminate or otherwise dispose of the API, in whole or in part;
- (b) Create any upgrades or other translations, adaptation, variation, modifications, or enhancements to the API;
- (c) Rent, lease, or transfer any part of the API to any person or entity (other than to Third Party Developers pursuant to 5.3 below) without the prior written consent of MarketAxess;
- (d) Sublicense, assign, delegate or otherwise transfer (other than to Third Party Developers pursuant to 5.3 below) the license granted to the Participant under this API License or the API or any of the related rights or obligations either under this API License or in the API for any reason;
- (e) Attempt to download, connect, gain, or provide access to or use the API for any purpose not expressly authorised by this API License; or
- (f) Use any Content received via the API in whole or in part for any purposes other than directly in connection with Participant's execution of Transactions during the term of the Agreement.

### 2.3 No Distribution

- (a) The Participant agrees that it will not, and will not permit any Third Party Developer or any other person under its control to disclose, re-circulate, republish, copy, sell, distribute, or otherwise provide Content or access to the API to any third party, including, without limitation, to any of Participant's Affiliates, through (without limitation) written, oral or electronic means, without the prior written consent of MarketAxess.
- (b) For the avoidance of doubt, the Participant is not permitted to create, redistribute, or sell any derived data from the Content. In this context the term "derived data" shall mean data of any kind containing the Content or any part of it and / or resulting directly or indirectly from the manipulation or analysis of the Content (whether generated by human or machine) whether alone or in conjunction with other data regardless of whether or not the Content is in any way identifiable from or within such derived data by any means.

### 2.4 Reservation of Rights

- (a) Nothing in this API License grants the Participant any rights in or in connection with the System, the API and / or Content (or any intellectual property rights therein) other than the limited license in respect of the System set out in an Agreement and in respect of the API set out in 2.1 above.

## 3. **API ACCESS**

### 3.1 Access

- (a) MarketAxess shall, during the term of this API License, provide a Participant with access to the API in accordance with the terms of this API License in order to enable the Participant to benefit from the license granted hereunder.

### 3.2 Interruption of Service

- (a) MarketAxess reserves the right at any time, without prior notice and without any liability of MarketAxess as a consequence thereof, to temporarily or permanently suspend the Participant's use of the API, in particular in circumstances where the Participant's access to the MTF has been suspended or terminated in accordance with the Rulebook and / or Agreement. In any other circumstance MarketAxess will, where such suspension is due to or arising from circumstances which are entirely within its control, endeavour to give reasonable notice to Participants, although failure to do so shall not give rise to any liability.

### 3.3 Misuse of the API

Each Participant shall:

- (a) Comply with all reasonable instructions notified to it by MarketAxess from time to time in relation to its access to and use of the API (including but not limited to paragraph 5.3);
- (b) Meet certain System protocols as specified by MarketAxess in writing from time to time;
- (c) Use commercially reasonable efforts to notify MarketAxess of any defect in the API or change to the API of which it becomes aware;
- (d) Promptly notify MarketAxess of any unauthorised access to the API or the Application of which it becomes aware;
- (e) Be responsible for any API Services performed on the System by Participant via the API;
- (f) When using the API to connect to the System, and / or to integrate a Third Party platform or software via API to MarketAxess, ensure that it has all necessary controls to prevent disorderly trading, low hit rates (as determined by MarketAxess in its sole discretion) or sending messages without a bona fide intention to trade;
- (g) Shall not permit a Third Party (as contemplated above) to send the same or overlapping Instructions simultaneously to MarketAxess and another execution venue, electronic platform, or system on behalf of the Participant.

(collectively, the “**API Use Standards**”)

MarketAxess shall determine whether a Participant is in compliance with the API Use Standards in its sole discretion. In the event that MarketAxess determines that a Participant is in violation of the API Use Standards, MarketAxess may take such action as it deems appropriate, including suspension of the Participant's access to the API without notice or liability.

### 3.4 Trade Threshold

- (a) MarketAxess makes the API Services available to Participants with the expectation that Participant will execute a certain threshold of trades through the System per calendar quarter, as determined by MarketAxess and communicated to the Participant (the “**API Threshold**”). In the event that Participant does not meet the API Threshold, MarketAxess reserves the right to terminate its use of the API.

## 4. **MODIFICATION**

- 4.1 MarketAxess may modify the API, the permitted uses under this API License, or any of the benefits and / or features provided in connection with use of the API at any time with or without notice to



Participants. Modifications may affect the Application and may require a Participant to make changes to the Application at its own cost to continue to be compatible with or interface with the API.

## **5. PARTICIPANT'S APPLICATION**

### **5.1 Application**

- (a) Each Participant will be responsible for and agree to develop its own Application in order to connect its systems to the API. Each Participant will be responsible (at its own expense) for conducting all design, development and maintenance work relating to the production and maintenance of the Application.

### **5.2 Technical Requirements**

- (a) Each Participant agrees to ensure that the Application meets any technical requirements which may be specified by MarketAxess from time to time. Each Participant will be responsible for procuring, installing, operating and / or maintaining any software, hardware and Internet bandwidth, access, communications, or other information technology items that are required in order to access the API. Operating instructions and a description of the minimum required configuration to access and use the API are available from MarketAxess at any time upon reasonable request.

### **5.3 Third Party Developers**

- (a) Notwithstanding any other provision in this API License, a Participant may engage the services of a third party software developer ("**Third Party**"), to develop, build, support and maintain the Application on its behalf ; and / or integrate a Third Party platform via API to MarketAxess, provided that a Participant first obtains MarketAxess's approval of such Third Party in writing. MarketAxess may refuse such consent if, in the opinion of MarketAxess, such Third Party is a competitor of MarketAxess or if MarketAxess has reasonable concerns regarding (without limitation) the systems, processes or data security arrangements of such Third Party.
- (b) A Participant may provide such Third Party with access via the test environment to the API and Content for the sole purpose of facilitating such development. Each Participant agrees prior to the commencement of any development to make the Third Party aware of the terms of this API License, including but not limited to the fact that: (i) the API, the System and Content shall be treated as MarketAxess Confidential Information pursuant to and in accordance with the terms of the Agreement; and (ii) the Third Party shall have a right to use the API and Content in the test environment solely to the extent necessary to perform the development work for that Participant.
- (c) The Participant will be responsible for each Third Party's compliance with the terms of the Rulebook and this API License. A breach of the Rulebook or this API License by a Third Party shall be deemed a breach by the Participant.

## **6. ASSISTANCE**

- 6.1 MarketAxess will provide reasonable assistance to each Participant to enable Participant to connect the Application to the API, but shall have no responsibility for their technical compatibility. Such assistance will be made available either via telephone or other such reasonable means determined by MarketAxess during regular business hours on a trading day. MarketAxess will only be responsible for providing such services in connection with the interaction between the Application and the API.

Each Participant will be responsible (at its own expense) for all support queries solely relating to the Application (including technical support in connection with its access to and use of the Application).

## **7. PRODUCTION LOGIN**

- 7.1 A Participant will only be provided with a production login to access the API following the completion of successful testing of the Application which will be conducted in conjunction between that Participant and MarketAxess.

## **8. MAINTENANCE AND MODIFICATION**

- 8.1 Each Participant shall bear the sole responsibility and expense for the maintenance of and any amendment, modification or change to the Application.

## **9. COMPUTER VIRUSES**

- 9.1 Each Participant will ensure that the Application and / or its use of the API will not contain or transmit any computer virus on the API, the System or into the software comprising the API and System.

## **10. FAILURES OF THE APPLICATION**

- 10.1 For the avoidance of doubt, MarketAxess shall not be responsible for any misuse or failures in the API or System which are attributable to the Application.

## **11. MONITORING AND ENFORCEMENT**

### **11.1 Right to Monitor and Audit.**

- (a) The Participant agrees that MarketAxess may monitor or audit the Application or activities relating to Participants' use of the API. A Participant will not seek to block or otherwise interfere with the monitoring or audit, and MarketAxess may use technical means to overcome any methods Participant may use to block or interfere with such monitoring. Audits may include requests for documents and information, and, upon reasonable notice and subject to MarketAxess's compliance with reasonable confidentiality and security procedures, visits to a Participant's facilities. A failure by a Participant to reasonably comply with MarketAxess's efforts to audit its compliance with this API License shall constitute a material breach of this API License.

### **11.2 Remedy for Breach.**

- (a) If MarketAxess, in its sole discretion, believes that a Participant, a Participant's service providers or a Third Party (defined above) has breached the Rulebook and / or the Agreement or this API License, or that a Participant or a Participant's service providers or Third Parties have engaged in fraudulent activity, in respect of its use of the API, then notwithstanding anything else contained herein MarketAxess or its Affiliates may take any and all steps it deems appropriate, including conducting an investigation, restriction, suspension or termination of a Participant's access to and use of the API (directly or via the Third Party software or platform ) at any time, without notice or liability.

**12. INDEMNITY**

- 12.1 Where this API License is applicable, Participant will indemnify MarketAxess and its Affiliates, and their respective directors, officers, employees and agents from and against any and all losses, liabilities, judgments, suits, actions, proceedings, claims, penalties, damages or costs (including attorneys' fees as incurred) resulting from or arising out of (i) its use or misuse of the API; and (ii) the development, maintenance, use and contents of the Application, including but not limited to any infringement of any third party intellectual property rights.

**13. VARIATION**

- 13.1. MarketAxess reserves the right to modify this API License from time to time at its sole discretion in accordance with Rule 24 of the Rulebook and a Participant's continued use of the API and the API Services shall constitute its acceptance of such modifications.

## APPENDIX V - INTERNAL CROSSING

### 1. SCOPE & DEFINITIONS

- 1.1 This Appendix V sets out the terms of business relating to Internal Cross Trades executed on the MTF.
- 1.2 Capitalised terms used in this Appendix V have the same meaning given in Rule 1.1 of the Rulebook unless expressly stated otherwise.

### 2. RULES APPLICABLE TO INTERNAL CROSS TRADES

- 2.1 Internal Crossing is only available to Participants that have been approved for Open Trading, and shall be conditional upon ongoing satisfaction of MarketAxess compliance requirements, which may include, without limitation, a requirement to evidence approvals from the person/s employed by, and responsible for compliance of, the relevant Participant who wishes to undertake Internal Cross Trades.
- 2.2 The Clearly Erroneous Trade Policy set out in Appendix I and the Open Trading Terms set out in Appendix II, shall each apply to Internal Crossing, mutatis mutandis. In the event and to the extent only of any conflict between those terms and the terms of this Appendix, and unless stated otherwise in this Appendix such conflict shall be construed according to the following order of priority:
  - (a) The provisions of Appendix I (*Clearly Erroneous Trade Policy*); then
  - (b) The terms of this Appendix V (*Internal Crossing*); then
  - (c) The terms of Appendix II (*Open Trading Terms*).
- 2.3 Internal Cross Trades may trigger an alert through the MTF market surveillance monitoring system and be subject to further scrutiny, and Participants are required to promptly assist MarketAxess, or any person acting on behalf of MarketAxess, with any enquiries arising therefrom.
- 2.4 Each Participant must satisfy itself that it can and shall comply with any Applicable Law relating to Internal Cross Trades as such rules apply to itself or its Principals.
- 2.5 When executing Internal Cross Trades, a Participant (or its Principal) will face MACL as the matched principal counterparty for both sides of the Internal Cross Trade. In such instances the MACL is acting as principal (in a matched principal capacity) and not as agent, to the Internal Cross Trade in question.
- 2.6 All Internal Cross Trades are executed at a price determined by the Participant and not by MarketAxess or MACL. Subject to Rule 21 (*Price Discovery Tools*), the execution price of all Internal Cross trades executed on the MTF shall be determined by the Participant by one of the following methods:
  - (a) By reference to the MarketAxess Composite Price (if available); or
  - (b) Such other price submitted electronically through the System (other than email) by the Participant; or
  - (c) By clear and unambiguous written instructions to execute at a specific price (i.e., not involving any element of discretion by MarketAxess), sent to **otdesk@marketaxess.com** (and, for these purposes, subject to Rule 9 of the Rulebook, email is sufficient).

If no price is determined by the Participant pursuant to any of paragraphs 2.6(a), (b) or (c) above, the Internal Cross Trade will not be executed on the MTF through the Internal Crossing Trading Protocol.

- 2.7 The Internal Cross Trade will be executed on the MTF at the price determined by the process described in paragraph 2.6, and will be adjusted to reflect an administrative charge, which will be disclosed electronically to a Participant prior to or at the point of trading.
- 2.8 Participants may use MarketAxess's Price Discovery Tools to supply a target price as described in paragraph 2.6. Use of the MarketAxess Composite Price is subject to the provisions of Rule 21 (*Price Discovery Tools*).
- 2.9 In all cases, MarketAxess or MACL reserve the right to refuse to facilitate or act as matched principal counterparty to any Internal Cross Trade, or to temporarily or permanently restrict, suspend the provision of Internal Crossing for any reason and without liability.
- 2.10 MarketAxess may cancel any Internal Cross Trade in its sole discretion if the Participant does not or cannot settle either side of the Transaction.

### **3. FAILS EXPENSE**

- 3.1. Participant shall be responsible for any charges, fees, penalties, or other costs incurred by MACL or any of its Affiliates resulting from the Participant's failure to deliver securities or cash for such transaction by the required settlement date on any Internal Cross Trades (each, a "**Fails Expense**"). The failure of MACL or any of its Affiliates to seek to recover any Fails Expense in any one transaction or in multiple transactions shall not constitute a waiver of the foregoing rights with regard to any other Transaction that results in a Fails Expense. The claim of a Fails Expense by MACL or any of its Affiliates shall not be without prejudice to any other rights or remedies available to any of them, and shall not constitute a waiver of their right to exercise any other remedy.

### **4. VARIATION**

- 4.1. MarketAxess reserves the right to modify this Appendix V from time to time at its sole discretion in accordance with Rule 24 of the Rulebook and a Participant's continued use of the Internal Crossing Protocol shall constitute their respective acceptance of such modifications.

## APPENDIX VI - ALGORITHMIC TRADING RULES

### 1. SCOPE & DEFINITIONS

- 1.1 This Appendix VI sets out the Rules relating to Algorithmic Trading on the MTF.
- 1.2 Capitalised terms used in this Appendix VI have the same meaning given in Rule 1.1 of the Rulebook unless expressly stated otherwise.

### 2. RULES APPLICABLE TO ALGORITHMIC TRADING

- 2.1 Participants are required to meet the following minimum conditions in order to operate an algorithm in connection with MTF Business ("**Conditions**"):
  - (a) Participants must have pre-trade controls on price, volume and value of orders and usage of the system and post trade controls on trading activities in place. Pre-trade controls must be reasonably designed to comply with Article 15 of RTS 6. Post trade controls should be reasonably designed to comply with Article 17 of RTS 6;
  - (b) Participants must ensure all key staff (such as, without limitation, compliance, risk, traders, and senior management) responsible for MTF Business be suitably qualified and possess proper relevant experience;
  - (c) Participants must be in compliance with Rule 2.3 of this Appendix VI relating to technical and functional conformance testing and Rule 2.3(a) in relation to Order Record Keeping;
  - (d) Participants must have a policy in place relating to use of kill functionality which is reasonably designed to limit use of kill functionality to emergency situations, as discussed in Articles 2 and 12 of RTS 6;
  - (e) Participants must promptly complete, upon request, a periodic self-certification for each trading algorithm deployed on the MTF as part of MarketAxess's risk assessment; and
  - (f) Provide evidence upon request that they continue to satisfy the Participant Eligibility Criteria.
- 2.2 Participants that operate or plan to operate an Algorithm in connection with MTF Business must, prior to the deployment or substantial update of a trading Algorithm or trading strategy related to that Algorithm, and at such other times as MarketAxess may require:
  - (a) Provide evidence that it complies with the Conditions and Rules in relation to Algorithmic Trading set out in this Appendix VI;
  - (b) Certify to MarketAxess that the Algorithm to be deployed has been tested so as to avoid contributing to or creating disorderly trading conditions; and provide a short code identifier for each Algorithm once tested; and
  - (c) Notify MarketAxess immediately if it is no longer in compliance with any of the above requirements.
- 2.3 Participants are required to conduct conformance testing reasonably designed to comply with Article 6 of RTS 6, including the appropriate testing of Algorithms, prior to the deployment or substantial update of either the access to the System; or the Participant's trading system, trading Algorithm or trading strategy. A Participant's conformance testing shall ensure that the basic functioning of the Participant's

trading system, Algorithm and strategy complies with all relevant Conditions, and shall verify the functioning of the following:

- (a) The ability of the system or Algorithm to interact as expected with the MTF's trading logic and the adequate processing of the data flows from and to the trading venue;
  - (b) The basic functionalities such as submission, modification or cancellation of an Instruction, static and market data downloads and all business data flows; and
  - (c) The connectivity, including the cancel on disconnect command, market data feed loss and throttles, and the recovery, including the intra-day resumption of trading and the handling of suspended instruments or non-updated market data.
- 2.4 Participants must report orders generated by an Algorithmic Trading system to the MTF in accordance with Rule 20 (*Order Record Keeping*), identifying:
- (a) The different Algorithms used for the creation and / or execution of orders; and
  - (b) The persons initiating those orders.
- 2.5 Participants must synchronise the business clocks they use to record the date and time of any reportable event.

### **3. VARIATION**

- 3.1 MarketAxess reserves the right to modify this Appendix VI from time to time at its sole discretion in accordance with Rule 24 of the Rulebook and a Participant's continued use of the Algorithms on the MTF shall constitute their respective acceptance of such modifications.

## APPENDIX VII - AUTOMATION SOLUTIONS

### 1. SCOPE & DEFINITIONS

- 1.1 This Appendix VII sets out the terms of business relating to Automation Solutions on the MTF.
- 1.2 Capitalised terms used in this Appendix VII have the same meaning given in Rule 1.1 of the Rulebook unless expressly stated otherwise.

**“Automation Solutions”** means any of:

- (a) **"Auto Execution"** means the automated execution Trading Protocol whereby a Participant will have the ability to submit RFQ on the System for Eligible Instruments, and the MTF will automatically execute Transactions on those instruments if responses meet the Parameters previously entered into the System by the Participant; or
- (b) **"Auto Responder"** means the functionality whereby a Participant will have the ability to submit quotes and associated Conditions for response on the System for Eligible Instruments, and if the Conditions are met the MTF will automatically generate responses to relevant RFQs which may or may not lead to the execution of a Transaction.
- (c) **“Adaptive Auto-X”** means the functionality whereby, at the Participant’s discretion, the MTF System may use an algorithm to break a Participant’s Instruction into smaller child orders and route the child orders over time amongst various MarketAxess Trading Protocols in accordance with Parameters, in an effort to maximize price improvement.

**"Parameters"** are the parameters or conditions for execution of Transactions pursuant to the Automation Solutions which are pre-set by the Participant, and which may include trading terms such as price, (including use of the MarketAxess Composite Price), size and number of responses, among other things.

**“Conditions”** are the conditions for generation of an automated response pursuant to the Auto Responder functionality, which are pre-set by the Participant and which may include terms such as spread against a benchmark or the MarketAxess Composite Price, size, and limits among other things.

### 2. RULES APPLICABLE TO AUTOMATION SOLUTIONS

- 2.1 Automation Solutions may be, but are not always, Intermediated. In the event that an Instruction submitted through the Automation Solutions ultimately results in an Intermediated Transaction, then such Transaction is considered to be an Open Trading Transaction and the terms set out in Appendices I (*Clearly Erroneous Trade Policy*), and Appendix II (*Open Trading Terms*) shall also apply to such Transactions. In the event and to the extent only of any conflict between those terms and the terms of this Appendix VII, and unless stated otherwise in this Appendix VII such conflict shall be construed according to the following order of priority:
- (a) The provisions of Appendix I (*Clearly Erroneous Trade Policy*); then
- (b) The terms of this Appendix VII (*Automation Solutions*); then
- (c) The terms of Appendix II (*Open Trading Terms*).



- 2.2 Participants shall provide to MarketAxess, in such format specified by MarketAxess, a list of Eligible Instruments that the Participant seeks to transact through the Automation Solutions, or in the alternative, Participant may select from a subset of Eligible Instruments that meet the minimum requirements for the Automation Solutions, as determined by the MTF.
- 2.3 Participants may provide their own target price for each Eligible Instrument that Participant seeks to transact through the Automation Solutions, or, if made available by MarketAxess and chosen by Participant, Participant may use MarketAxess's Composite Price or other Price Discovery Tool to supply a target price. Use of the MarketAxess Composite Price or other price suggested by MarketAxess as the price target, is subject to the provisions of Rule 21 (*Price Discovery Tools*).
- 2.4 Participant shall be solely responsible for setting the Parameters and/or Conditions of each order and / or response placed through any Automation Solution, including any reliance on MarketAxess Composite Prices. Participant acknowledges that submission of an Instruction through an Automation Solution may result in an automatic execution without further action by Participant, and that submission of such Instruction, including orders or Instructions placed in error, shall be at the Participant's sole risk.
- 2.5 Participant represents that with respect to its use of MarketAxess Composite Prices and any Automation Solution, it:
- (a) Is capable of evaluating investment risks independently, both in general and with regard to particular transactions using MarketAxess Composite Prices and/or executed by any Automation Solution; and
  - (b) Exercises independent judgment in evaluating MarketAxess Composite Prices and any Automation Solution.
- 2.6 Participant shall provide any documentation that MarketAxess may reasonably request in order to comply with any Applicable Law, rule or regulation related to the Automation Solution, including if required, those related to Algorithmic Trading pursuant to MiFIR and other related legislation.
- 2.7 MarketAxess reserves the right at any time, without prior notice and without any liability of MarketAxess, to temporarily or permanently restrict, suspend or terminate Participant's use of any Automation Solutions, provided, however, MarketAxess may impose fees for the Auto Execution Protocol on not less than thirty (30) days' notice.
- 2.8 Use of the MarketAxess Composite Price is subject to the provisions of Rule 21 (*Price Discovery Tools*).

### **3. VARIATION**

- 3.1 MarketAxess reserves the right to modify this Appendix VII from time to time at its sole discretion in accordance with Rule 24 of the Rulebook and a Participant's continued use of the Automation Solutions shall constitute their respective acceptance of such modifications.

## APPENDIX VIII - MID-X RULES

### 1. SCOPE

- 1.1 This Appendix VIII sets out the terms of business relating to the Mid-X Protocol.
- 1.2 Capitalised terms used in this Appendix VIII have the same meaning given in Rule 1.1 of the Rulebook unless expressly stated otherwise.

### 2. RULES APPLICABLE TO MID-X

- 2.1 The Mid-X Protocol is an Intermediated Protocol and is only available to Participants that have been approved for Open Trading and shall be conditional upon ongoing satisfaction of MarketAxess compliance requirements, which may include, without limitation, a requirement to evidence approvals from the person/s employed by, and responsible for compliance of, the relevant Participant.
- 2.2 The Clearly Erroneous Trade Policy set out in Appendix I and the Open Trading Terms set out in Appendix II, shall each apply to Transactions executed over Mid-X, mutatis mutandis. In the event and to the extent only of any conflict between those terms and the terms of this Appendix, and unless stated otherwise in this Appendix such conflict shall be construed according to the following order of priority:
  - (a) The provisions of Appendix I (*Clearly Erroneous Trade Policy*); then
  - (b) The terms of this Appendix VIII (*Mid-X Rules*); then
  - (c) The terms of Appendix II (*Open Trading Terms*).
- 2.3 When executing Transactions pursuant to Mid-X, a Participant (or its Principal) will face MACL as the matched principal counterparty for both sides of the Transaction. In such instances MACL is acting as principal (in a matched principal capacity) and not as agent, to Transactions in question.
- 2.4 The price at which Transactions are executed pursuant to Mid-X shall be the mid of the prevailing CP+ Price or other Price Discovery Tool at the time of execution. Prior to execution, the then prevailing CP+ mid indication is shown, as an indicative price only. The actual execution price will be the updated prevailing real-time mid CP+ price at the time of execution; which is itself adjusted to reflect an administrative charge. The adjusted execution price will be disclosed electronically in the post trade message. The Participant may choose to cancel an order at any time up to the point of execution, which is indicated by the inquiry timer. Participation in the Mid-X Protocol constitutes acceptance by Participant of the prevailing real-time mid CP+ as the execution price and of the administrative charges.
- 2.5 Use of the MarketAxess Composite Price for Mid-X is subject to the provisions of Rule 21 (*Use of Price Discovery Tools*).
- 2.6 In all cases, MACL reserves the right to refuse to facilitate or act as matched principal counterparty to any Transaction, or to temporarily or permanently restrict, suspend the provision of Mid-X Protocol for any reason and without liability.
- 2.7 For the avoidance of doubt, under Applicable Law including COBS 1 Annex 1 of the FCA Handbook, certain conduct of business rules including, without limitation, those relating to best execution, are not applicable between MTF participants to transactions concluded under the rules of that MTF. All transactions executed pursuant to the Mid-X Protocol are executed on the MTF and, accordingly, neither MarketAxess nor MACL owe any Participants a duty of best execution with respect to

transactions executed over the Protocol. Participants may, however, owe a duty of best execution to their Principals.

### **3. VARIATION**

- 3.1 MarketAxess reserves the right to modify this Appendix VIII from time to time at its sole discretion in accordance with Rule 24 of the Rulebook and a Participant's continued use of the Mid-X Protocol shall constitute their respective acceptance of such modifications.

## APPENDIX IX - AXESS IQ® LICENSE

### 1. SCOPE

- 1.1 This Appendix IX sets out the terms of business and license relating to the use of the Axess IQ® solution (“**Axess IQ License**”).
- 1.2 This Axess IQ Licence applies only to Participants that access or use Axess IQ (either directly or indirectly via a third party) to interact with the System. The terms of the Appendix IV (*API Licence*) shall also apply to a Participant's use of Axess IQ, in addition to this Appendix IX (*Axess IQ Licence*).
- 1.3 Capitalised terms used in this Appendix IX have the same meaning given in Rule 1.1 of the Rulebook or the API License in Appendix IV (*API Licence*), as applicable, unless expressly stated otherwise.
- 1.4 Where Axess IQ is used to facilitate connectivity to a third party system, such activity constitutes Non-MTF Business. In such event, this Rulebook shall not apply and only the terms of an Agreement shall apply to such Non-MTF Business.
- 1.5 In the event and to the extent only of any conflict between terms of Appendix IV (*API Licence*) and the terms of this Appendix, and unless stated otherwise in this Appendix such conflict shall be construed according to the following order of priority:
  - (a) The terms of this Appendix IX (*Axess IQ Licence*); then
  - (b) The provisions of Appendix IV (*API Licence*)

### 2. DEFINITIONS

“**Axess IQ Information**” shall mean the component parts of the Content made available by MarketAxess via Axess IQ to Participants in relation to their use of Axess IQ (and which may include static financial instrument reference data derived from third party sources);

### 3. LICENSE

- 3.1 Subject to Rules 1-26 inclusive of the Rulebook and this Appendix IX, MarketAxess grants each Participant that is given access to Axess IQ a personal, non-exclusive, non-sub-licensable and non-transferable, revocable, and limited licence during the term of this Axess IQ Licence to:
  - (a) Use the Axess IQ Information for the Participant's own internal use to facilitate Participant's access to the System and electronic trading activities conducted over the System by its Authorised Persons in accordance with the terms of the Rulebook;
  - (b) Use Axess IQ Information in 'view only' form;
  - (c) Store and / or copy and use the Axess IQ Information as may be necessary for back-up, contingency, and archiving purposes; and
  - (d) Copy or use selected, limited, insubstantial and incidental portions of the Information in internal reports to support Participant's electronic trading activity in connection with its use of Axess IQ.

- 3.2 Access to and use of Axess IQ is subject to the Participant's compliance with the terms of this Axess IQ Licence, the API License in Appendix IV, and any technical requirements as may be specified by MarketAxess from time to time.
- 3.3 Participant acknowledges and agrees that Axess IQ:
- (a) Is a tool for transmitting orders for trades over the System and that MarketAxess does not receive such orders;
  - (b) Does not interpose itself between the Participant and any Transaction counterparty;
  - (c) Is a mere conduit that facilitates communication with the System over which the Content is solely determined by the Participant and not by MarketAxess (nor any of its Affiliates);
  - (d) Does not include trading information such as checking completeness of orders or matching orders or reconciling trades; and
  - (e) Should not be used by a Participant to identify Transaction counterparties for any purpose other than proper execution of Transactions.

#### **4. PARTICIPANT OBLIGATIONS**

- 4.1 Participants shall comply, and shall procure that its Authorised Persons comply, with this Axess IQ Licence and any technical requirements as may be specified by MarketAxess from time to time relating to use of and access to Axess IQ, including without limitation the equipment required to use the locally hosted aspects of Axess IQ (where applicable).
- 4.2 Other than where expressly permitted pursuant to paragraph 3.1, the Participant shall not (and shall procure that its Authorised Persons shall not):
- (a) Permit access to, distribute, sub-licence, transfer, assign or publish Axess IQ, the Axess IQ Information or any part of it to any third party;
  - (b) Place or maintain the Axess IQ Information, or permit the Axess IQ Information to be placed or maintained, in a database accessible by anyone other than the Participant or the Authorised Person which created such database:
  - (c) Use, directly or indirectly, the Axess IQ Information for any commercial purpose other than in connection with Participant's use of Axess IQ to support the Participant's electronic trading activity over the System;
  - (d) Attempt to obtain, or assist third parties in obtaining, access to Axess IQ, the Services, Axess IQ Information, other than as provided under this Appendix IX.
  - (e) Except as may be allowed by any Applicable Law which is incapable of exclusion by agreement between Participant and MarketAxess; (i) attempt to copy, modify, duplicate, create derivative works from, frame, mirror, republish, download, display, transmit or distributed all or any portion of Axess IQ or the Axess IQ Information in any form or media by any means; or (ii) attempt to reverse compile, disassemble, reverse-engineer or otherwise reduce to human-perceivable and / or source-code form all or any part of Axess IQ; and / or
  - (f) Access all or any part of Axess IQ in order to build a product or service which competes with MarketAxess.

- 4.3 Participant is responsible for ensuring that Axess IQ is only used by Authorised Persons; and shall take all reasonable steps to prevent unauthorised access to, or use of Axess IQ. Participant is solely responsible for all activity over Axess IQ which occurs under its Access Credentials. Participant shall ensure that its, and its Authorised Persons' use of Axess IQ at all times complies with all Applicable Laws and the MTF Rulebook.

## 5. PROVISION OF AXESS IQ

- 5.1 For the duration of this Axess IQ Licence, MarketAxess shall have the right, without liability to the Participant, to make such changes to Axess IQ as it may deem desirable (such as, without limitation, software releases or user interface enhancements), provided that MarketAxess shall provide Participant with reasonable advance notice in order to enable the Participant to make any necessary amendments to its systems to comply with such changes.
- 5.2 Participant agrees that access to Axess IQ may be temporarily suspended by MarketAxess, without any liability as a consequence thereof:
- (a) For scheduled maintenance and repair, in which case MarketAxess shall use reasonable endeavours to provide Participant with advance notice on MarketAxess's Website and / or by email notice; or
  - (b) In the case of system failure, unscheduled maintenance, or repair or for other reasons beyond MarketAxess's control, without prior notice.
  - (c) Where MarketAxess provides Axess IQ in whole or in part:
    - (i) To be to be run locally and / or locally hosted on Participant's equipment or infrastructure, this License relates to Axess IQ only (or such part of Axess IQ) in object code form only, and no rights are granted to the Participant in respect of Axess IQ in source code form; or
    - (ii) As a hosted service by or on behalf of MarketAxess, this License grants no rights to the source code or object code of Axess IQ to the Participant in respect to such hosted aspects of Axess IQ.
- 5.3 MarketAxess makes Axess IQ available to Participants with the expectation that Participant will execute a certain threshold of trades through the System per calendar quarter, as determined by MarketAxess and communicated to the Participant (the "Axess IQ Threshold"). In the event that a Participant does not meet the Axess IQ Threshold, MarketAxess reserves the right to terminate its use of Axess IQ.
- 5.4 Where the Participant is running and / or hosting any part of Axess IQ on its own hardware and infrastructure, Participant shall be solely responsible at its own cost and expense for:
- (a) Establishment and maintenance of the necessary hardware and other supporting infrastructure, software, and connectivity links necessary for the installation and operation of Axess IQ, including: (i) all workstation hardware and software; and (ii) any data or files that are not part of Axess IQ, including back-up copies of such data;
  - (b) Ensuring that any such hardware, infrastructure, software, and connectivity links meet the minimum requirements to run such part of Axess IQ as set out in the Documentation or as otherwise notified to Participant by MarketAxess from time to time; and

(c) Promptly installing any patches, updates, and new versions of Axess IQ that MarketAxess provides or otherwise makes available to Participant from time to time during the term.

5.5 MarketAxess owns all right, title and interest in all aggregated data entered into Axess IQ by Participant or its Authorised Persons in the use of Axess IQ (including, but not limited to, general usage data) and MarketAxess may use, distribute, license and sell such data; provided, however, that MarketAxess does not disclose to others that Participant is the source of such data or the details of individual orders, or messages sent or received by Participant through Axess IQ, except as otherwise permitted in this license, or required to be disclosed pursuant to the Rules or Applicable Law. All right, title and interest in and to any work in any medium, which incorporates or in the compilation of which such aggregated data was used or any of it, shall be the property of MarketAxess or its licensors, and Participant shall have no claim to any such right, title or interest or to any payment in respect of the use of such aggregated data.

## 6. INTELLECTUAL PROPERTY RIGHTS

6.1 Participant acknowledges that all Intellectual Property Rights in Axess IQ, Axess IQ Information and related documentation in any case as provided or made available by MarketAxess to Participant in connection with Axess IQ are all the property of MarketAxess or its licensors, as the case may be;

6.2 Participant shall have no rights in Axess IQ, Axess IQ Information and related documentation other than the right to use the foregoing in accordance with the express terms of this Appendix IX; and

6.3 MarketAxess hereby expressly reserves any and all rights, licences, and permissions in and to Axess IQ, Axess IQ Information and related documentation, other than those limited rights explicitly licensed in accordance with this Agreement.

6.4 Participant shall promptly notify MarketAxess of any infringement of MarketAxess's Intellectual Property Rights or unlawful or unauthorised use of all or any part of Axess IQ, Axess IQ Information and related documentation of which Participant becomes aware. MarketAxess may, in its sole discretion, bring any claim in respect of such infringement and, where such claim is against any party other than Participant or its Authorised Persons, MarketAxess shall have the sole conduct of any such claim where such claim is against any party other than the Participant. Participant shall provide all such assistance as is reasonably required by MarketAxess, at the sole and reasonable cost of MarketAxess, in respect of the conduct of any such third party claims. This paragraph is without prejudice to any rights and remedies MarketAxess may have against Participant in respect of any infringement of MarketAxess's Intellectual Property Rights or unlawful or unauthorised use of all or any part of Axess IQ, Axess IQ Information, and related documentation by or on behalf of Participant.

6.5 Participant undertakes to MarketAxess to take all such reasonable steps as shall from time to time be necessary to ensure compliance with the provisions of this paragraph 6 by its employees, group members, agents, and subcontractors.

## 7. ACCESS CREDENTIALS

7.1 MarketAxess will provide Participant with a username and password ("**Access Credentials**") in order for an individual Authorised Person to access Axess IQ.

7.2 Participant undertakes to keep the Access Credentials confidential and not to disclose or use the Access Credentials to any third parties other than as permitted in this License.

## **8. FEES**

- 8.1 MarketAxess reserves the right to impose charges in connection with Axess IQ or any additional bespoke implementation or functionality in relation to Axess IQ, at MarketAxess's prevailing rates.
- 8.2 In the event that Participant terminates its membership of the MTF, MarketAxess reserves the right to terminate access to Axess IQ, or to introduce charges for continued use of Axess IQ, and / or related services.

## **9. INDEMNIFICATION**

- 9.1 Participant shall indemnify MarketAxess from and against the entirety of any losses, damages, liabilities, claims or demands, actions, proceedings, costs, penalties or expenses (including any legal costs and any other reasonable expenses) incurred by MarketAxess directly resulting from or in connection with a claim, suit, demand or other proceeding based upon or related to any allegations, proceedings or claims brought by a third party arising out of or in connection with the use by Participant and / or its Authorised Persons of Axess IQ and any non-compliance by Participant and / or its Authorised Persons with this Axess IQ Licence, including disclosure or transfer by the Participant and / or its Authorised Persons of the Axess IQ Information in a manner not expressly permitted by this Licence or an applicable Agreement.

## **10. LIMITATION OF LIABILITY**

- 10.1 Except as otherwise provided in this Axess IQ Licence, Axess IQ is provided by MarketAxess 'as is' and 'as available' and, to the fullest extent permitted by applicable law, is provided without any warranties, representations, guarantees, undertakings, terms, or conditions of any kind, whether express or implied, including implied warranties of title, accuracy or completeness, non-infringement, satisfactory quality, or fitness for a particular purpose.
- 10.2 Neither MarketAxess nor any of its Affiliates shall be liable for any oral or written information or advice, course of dealing or course of performance given by MarketAxess or its Affiliates and Participant shall not rely on such information or advice or course of dealing in connection with its use of Axess IQ.
- 10.3 MarketAxess does not warrant that the Participant's use of Axess IQ will be uninterrupted or error free. Except as otherwise provided in this Axess IQ Licence, MarketAxess is not responsible for and, shall not be liable for (i) any delays, delivery failures, errors or any other loss or damage resulting from the interruption or unavailability of Axess IQ, or the transfer of any Axess IQ Information, or other data over communications networks and facilities, including the internet, and Participant acknowledges that Axess IQ may be subject to, limitations, delays and other problems inherent in the use of such communications facilities; and / or (ii) the content of any data or message transmitted by Participant and its Authorised Persons via Axess IQ.
- 10.4 The exclusions in this paragraph 10 shall apply to the fullest extent permitted by applicable law to acts and omissions of MarketAxess or its Affiliates. MarketAxess does not exclude or limit its liability arising under or in connection with this Axess IQ Licence for death or personal injury caused by the negligence of that Party; fraud or fraudulent misrepresentation; or any other liability which cannot be excluded or limited by Applicable Law.
- 10.5 Except as expressly stated in paragraph 10.4, neither Participant nor MarketAxess shall be liable for any special, consequential, incidental, or indirect losses of whatsoever nature, and neither



MarketAxess nor Affiliates shall be liable in any way and howsoever arising under or in connection with this Axess IQ Licence to Participant or to any other person or entity for:

- (a) Any loss of profit, loss of revenue, loss of anticipated savings, loss, or corruption of, or damage to, software or data, loss of contract or opportunity, loss of goodwill, business interruption or loss of claim (whether such losses are direct, indirect or consequential); or
- (b) Any trading related losses (whether such losses are direct, indirect, or consequential); and
- (c) In each case whether or not reasonably foreseeable or actually contemplated by the either or both of Participant and MarketAxess at or during this Axess IQ Licence.

10.6 Notwithstanding paragraphs 10.1, 10.2 and 10.3, the total aggregate liability of MarketAxess and its Affiliates howsoever arising and whether arising out of breach of contract, tort (including negligence) breach of statutory duty, indemnity, or otherwise to the Participant and/or any other person arising in connection with the use of Axess IQ shall be limited in respect of all causes of action accruing to the greater of (i) the net charges paid by Client for the use of Axess IQ (if any); and £50,000.

## APPENDIX X - SCHEDULED RFQ

### 1. SCOPE

- 1.1 This Appendix X sets out the terms of business and license relating to the use of the Scheduled RFQ functionality as described in Rule 11.2.
- 1.2 Capitalised terms used in this Appendix X have the same meaning given in Rule 1.1 of the Rulebook, as applicable, unless expressly stated otherwise.

### 2. SCHEDULED RFQ

- 2.1 All Participants wishing to utilise Scheduled RFQ functionality are responsible for ensuring that their out of hours contact details are up to date at all times and that such contacts are available and contactable on those details out of hours.
- 2.2 In the event of any trade issue resulting from a Scheduled RFQ, MarketAxess will attempt to contact Participants in the usual manner. If the trade issue occurs outside of the local business hours of the Relevant Participant, MarketAxess will attempt to contact Participants using the out-of-hours contact information.
- 2.3 Failure to provide an out of hours contact and / or failure to respond to communication out-of-local business hours in a timely manner may result in the cancellation of any Scheduled RFQ Transactions in accordance with Appendix I (*Clearly Erroneous Trade Policy*) and / or Transactions may, at MarketAxess's discretion, be further subject to manual trader confirmation from the Participant.
- 2.4 If a Participant has enabled functionality for Automation Solutions, a Scheduled RFQ may be executed automatically based on the Participant's submitted parameters into the System, without the liquidity seeker aggressing against a response.
- 2.5 Any trade review requests made under paragraph 3 of Appendix I (*Clearly Erroneous Trade Policy*) must be made within 30 minutes of execution. The fact that a Transaction may (at the Participant's discretion) be executed automatically outside of local business hours does not effect this time limit.
- 2.6 MarketAxess shall have no discretion to verify, correct, complete or update any parameters submitted by the Participant seeking to rely on Scheduled RFQ notwithstanding the passage of time since such parameters were submitted, regardless of whether the market may have moved in any direction.
- 2.7 Parameters shall be considered to be Instructions for the purpose of this Rulebook and are submitted at the Participant's own risk. MarketAxess shall not be liable for any losses that a Participant may suffer in connection with market movements, passage of time or other factor which may impact the economic outcome of the Transaction for the Participant.

## Version Control

Version/ Date of implementation	Update (with a reference to a relevant part of the Rulebook)	Reviewed By
V1 – September 2015	N/A	General Counsel, EU and Asia
V2 – March 2017	<ul style="list-style-type: none"> <li>• Clarification of the order of precedence between the Rulebook and the Agreements (paragraph 2.5);</li> <li>• Removal of credit default swaps as an ‘Eligible Instrument’ (paragraph 10.3);</li> <li>• Updates to the CETP (Appendix I); and</li> <li>• Additional language to reflect the introduction ‘Internal Cross Trades’ as a new Trading Function (Appendix V).</li> <li>• Other minor changes.</li> </ul>	General Counsel, EU and Asia
V3 – October 2017	<ul style="list-style-type: none"> <li>• Updates pursuant to MIFID II and GDPR;</li> <li>• Introduction of Auto Execution Trading Protocol rules; and</li> <li>• Introduction of Processed Trades.</li> </ul>	General Counsel, EU and Asia
V4 – February 2018	<ul style="list-style-type: none"> <li>• Rule 8.3 regarding published Fees.</li> </ul>	General Counsel, EU and Asia
V5 – April 2018	<ul style="list-style-type: none"> <li>• Amendments to Appendix I, Clearly Erroneous Trade Policy;</li> <li>• Clarifications to definition of clearly erroneous and system disruption or malfunction; and</li> <li>• Clarification of the process of determination of a trade to be clearly erroneous and Participants obligations.</li> </ul>	General Counsel, EU & Asia
V6 – July 2018	<ul style="list-style-type: none"> <li>• Remove section on “Disclosed Fees” and replace with new section on ‘MTF Fees’ referring to the website fee schedules and treatment of excess fees;</li> </ul>	General Counsel, EU & Asia

	<ul style="list-style-type: none"> <li>• Clarification of charges for internal crossing and fees for Open Trading;</li> <li>• Clarification that in order to be Eligible Instruments financial instruments must comply with the MTF reporting requirements; and</li> <li>• Removing references to '3 January 2018'.</li> </ul>	
V7 – April 2019	<ul style="list-style-type: none"> <li>• Updates to the Participant Eligibility Criteria and suspension rights in response to Brexit;</li> <li>• Updates to take into account the operation of the MarketAxess NL B.V. MTF;</li> <li>• Clarification of terminology in the Data Protection Rule (Rule 8); and</li> <li>• Clarification of terminology in the Disciplinary Sanctions Rule (Rule 16).</li> </ul>	Head of Compliance, EU & Asia, General Counsel, EU & Asia
V8 – July 2019	<ul style="list-style-type: none"> <li>• Updates to Clearly Erroneous Trade Policy in Appendix I;</li> <li>• Introduction of Buy-Side Liquidity Provider category and associated rules;</li> <li>• Updates to the Auto Execution Appendix VII;</li> <li>• Introduction of Mid-X and Appendix VIII; and</li> <li>• Clarification of Trading Hours (Rule 11.1).</li> </ul>	Head of Compliance EU & Asia General Counsel, EU & Asia
V9 – November 2019	<ul style="list-style-type: none"> <li>• Addition of Automation Solutions as an Open Trading Protocol (Rule 11.2(b)(iii));</li> <li>• Addition of Treasury Hedging as an Open Trading Protocol (Rule 11.2(b)(iv));</li> </ul>	General Counsel, EU & Asia

	<ul style="list-style-type: none"> <li>• Modification of Appendix VII from 'Auto Execution Rules' to 'Automation Solutions';</li> <li>• Amendments to Participant Obligations (Rule 7.1); and</li> <li>• Other minor changes.</li> </ul>	
V10 – August 2020	<ul style="list-style-type: none"> <li>• Post Brexit changes to reflect the exit of the UK from the EU;</li> <li>• Change of name of CP Match to MID-X and updates to the Mix-X protocol (Appendix VIII);</li> <li>• Clarification to the definition of a Suspicious Trade;</li> <li>• Clarification of participant obligations in respect of settlement failures (Rule 15.7) and operational resilience (Rule 7);</li> <li>• Eligible Instruments- addition of: US (taxable) municipal bonds (Rule 10.3);</li> <li>• Updates to reflect the requirements of CSDR (Rule 15);</li> <li>• Updates to the Clearly Erroneous Trade Policy (Appendix I);</li> <li>• Addition of Rule 21 regarding use of the Price Discovery Tool;</li> <li>• Updates to Participant Eligibility Criteria (Rule 3);</li> <li>• Access IQ – new appendix introduction of MarketAccess's proprietary execution workflow software solution (Appendix IX);</li> <li>• Updates to the event of default provision under Open Trading (Appendix II);</li> <li>• Amendments to clarify orders of priority to resolve inconsistencies or potential conflicts between the body of the Rulebook and the Appendices (Rule. 2.6);</li> </ul>	Head of Compliance, EMEA & APAC, General Counsel, EMEA & APAC

	<ul style="list-style-type: none"> <li>• Other minor changes.</li> </ul>	
V11 – May 2021	<ul style="list-style-type: none"> <li>• Update to Participant Obligations – requirement to promptly respond to request for information (Rule 7.1(t))</li> <li>• Addition of Disclosed Open Trading (Rule 11.2 with attendant changes in Appendix II (Open Trading Terms));</li> <li>• Changes to the Clearly Erroneous Trade Policy;</li> <li>• Introduction of Scheduled RFQ (Rule 11.2);</li> <li>• Requirement to conduct periodic self-certification for trading algorithms (Appendix VI, Rule 2.1(e); and</li> <li>• Other minor changes.</li> </ul>	Head of Compliance, EMEA & APAC, General Counsel, EMEA & APAC
V12 – January 2022	<ul style="list-style-type: none"> <li>• Removal of Buy-Side Liquidity Provider category and associated rules;</li> <li>• Introduction of Disclosed Open Trading Protocol (Rule 11.2);</li> <li>• Addition of definition of “Disorderly Trading Conditions”;</li> <li>• Addition of definition of “CSD”;</li> <li>• Update to the definition of “Effective CSDR Settlement Discipline Date”;</li> <li>• Amendments to Participant Obligations (Rule 7.1);</li> <li>• Clarification of the terms applicable to the Scheduled RFQ Protocol (Rule 11.2(c));</li> <li>• Amendments to the Open Trading Terms (Appendix II);</li> <li>• Other minor changes.</li> </ul>	Head of Compliance, EMEA & APAC, General Counsel, EMEA & APAC

V13 – January 2023	<ul style="list-style-type: none"> <li>• Addition of new definitions – Benchmark, EU Benchmark and UK Benchmark;</li> <li>• Updates to certain definitions – Axxess IQ, CDSR Instruments, Insolvency Event;</li> <li>• Amendments to Rule 7.1 (Participant Obligations) – updating and consolidating obligations under subheadings;</li> <li>• Amendment to Rule 11.2 (Trading Protocols) – updated preamble regarding access to Trading Protocols;</li> <li>• Addition of Rule 21.6 – regarding the use of Price Discovery Tools;</li> <li>• Amendments to Appendix I (<i>Clearly Erroneous Trade Policy</i>) – Rule 1.2 (Scope), Rule 2.2. (Definition of Clearly Erroneous Trade), Rule 3.2 (clarification), Rule 3.9 (addition of reference to System Disruption or Malfunction and additional language regarding material news), 3.11 (removed – duplicate language);</li> <li>• Amendments to Appendix IV (<i>API License</i>) – updating responsibilities of Participants using API connections per addition of Rule 3.3(f) and Rule 3.3(g) and Participants using API must adhere to API Use Standards (new definition), clarification to Rule 5.3(a) (Third Party Developer), updates to Rule 11.2 (Remedy for Breach);</li> <li>• Amendments to Appendix VII (<i>Automation Solutions</i>) – addition of new functionality under Rule 1.2(c) (Adaptive Auto-X);</li> <li>• Amendment to Appendix IX (Axxess IQ License) – ‘Benchmark’ definition moved from appendix to the list of</li> </ul>	Head of Compliance, EMEA & APAC, General Counsel, EMEA & APAC
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	<p>‘Definitions’ in main body of the document; and</p> <ul style="list-style-type: none"> <li>• Other minor changes.</li> </ul>	
<p>V14 – January 2024</p>	<ul style="list-style-type: none"> <li>• Addition of new definitions – “Agreement”, “API”, “Content”, “Intermediated”, “PRA”, “UK GDPR”;</li> <li>• Modifications to existing definitions – “Algorithmic Trading”, “Algorithm”, “Axess IQ”, “Controller”, “CSDR”, “CSDR Instruments”, “Data Protection Laws”, “Disorderly Trading Conditions”, “Instruction”, “MiFID Instruments”, “MiFIR”, “MTF”, “MTF Business”, “Non-MTF Business”, “Open Trading”, “RTS 2”, “RTS 6”, “RTS 7”, “RTS 22”, “RTS 23”, “System”. “UK Benchmark” and “User Agreement”;</li> <li>• Removal of the definition of “AFM”, “CRD IV”, “Competent Authority”, “EEA”, “Effective CSDR Settlement Discipline Date” and “MiFID II”;</li> <li>• Modification to Rule 1.2 to clarify the ongoing application of references to statutory provisions and attendant obligations as set out in this Rule 1.2;</li> <li>• Addition of Rule 3.1(c)(C) – Participants are subject to any additional eligibility requirements per Protocol as set out in the Appendix for that Protocol;</li> <li>• Modification to Rule 3.2 (Participant Eligibility Criteria) – makes reference to Rule 7.1(p);</li> <li>• Addition of Rule 3.3 (Participant Eligibility Criteria) – clarification of those prospective Participants that are not eligible nor permitted to join the MTF;</li> <li>• Modification to Rule 7.1(e) (Participant Obligations) -</li> </ul>	



	<p>express requirement for MTF Participants to provide accurate status of their trading capacity;</p> <ul style="list-style-type: none"> <li>• Amendment to Rule 7.1(p) (Participant Obligations) – clarification regarding the use of the System for price discovery purposes;</li> <li>• Addition of Rule 7.1(q) (Participant Obligations) – new requirement for Participants to ensure that their Authorised Persons are not initiating and responding to the same Inquiry;</li> <li>• Modification to Rule 11.1 (Hours of Operation) – changes to scheduled maintenance hours (Rule 11.1(a) and Rule 11.1(b)); new Rule 11.1(c) specifying that some Protocols will only be available during limited timeslots during Trading Hours;</li> <li>• Addition to Rule 11.2(b) (Trading Protocols) – reference to Open Trading RFQ;</li> <li>• Modification to Rule 11.2(i) (Trading Protocols) – additional reference to ‘bridge trade’;</li> <li>• Modification to Rule 11.3 (Direct Electronic Access (including Direct Market Access and Sponsored Access) – addition of new definitions: “Direct Electronic Access” and “Sponsored Access”; addition of Rule 11.3(b) – Participants must ensure that Authorised Persons that belong to a Third Party must meet the Participant Eligibility Criteria;</li> <li>• Modification to Rule 15.2 (Settlement) – clarification regarding MarketAxess and its Affiliates’ involvement in settling transactions;</li> <li>• Addition of Rule 16.1(d) (Disciplinary Sanctions) – poor conduct on the part of</li> </ul>	
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	<p>Participant potentially leading to disciplinary action;</p> <ul style="list-style-type: none"> <li>• Addition of new rule – Rule 22 (Resolution Events) with respect to the Bank Recovery and Resolution Directive (EU);</li> <li>• Update to Appendix III (Contingent Convertibles) – removal of EU regulatory references;</li> <li>• Update to Appendix IV (API License) – reference to use of connectivity to a third party system constituting non-MTF Business;</li> <li>• Update to Appendix IX (Axess IQ License) – analogous reference to the change described in Appendix IV above;</li> <li>• Removal or replacement of references to EU law that are no longer relevant for the purpose of this MTF Rulebook, as applicable;</li> <li>• Clarifications to relevant Protocols which are subject to being ‘Intermediated’ as defined in the Rulebook;</li> <li>• Amendments of references of “Competent Authority” to “FCA” where referenced in the Rulebook; and</li> <li>• Other minor amendments.</li> </ul>	
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