

**Fenics | NDF**

**OPERATING  
POLICIES  
AND PROCEDURES**

## OPERATING POLICIES AND PROCEDURES (“OPPS”) IN RELATION TO THE FENICS NDF PLATFORM (“FENICS NDF” OR THE “PLATFORM”)

Issued on 9 August 2023 | Version 2

The OPPs are legally binding on the Platform Provider and all Participants. The OPPs are effective from the later of 9 August 2023, the date a Participant (as defined in paragraph 16) first uses Fenics NDF or the date that a Participant first receives any services under the OPPs. Amendments to the OPPs may be made by the Provider in accordance with paragraph 17. This version supersedes and replaces all prior versions of the OPPs. Terms not defined in the body of the OPPs bear the meaning in paragraph 16.

Provider operates an electronic trade matching platform - Fenics NDF - that is designed to enable Participants to enter into certain foreign exchange transactions in non-deliverable forwards (“NDFs”) as determined by Provider from time to time and using such functionality as may be available thereon with certain other Participants (each, an “NDF Transaction”).

Where BGC Partners (Singapore) Limited acts as the Provider of the Platform from Singapore, the Provider is licensed by the Monetary Authority of Singapore as a Recognized Market Operator (“RMO”) in relation to the provision of the Platform. These OPPs comprise ‘business rules’ issued by the Platform Provider under Section 33(e) of the Singapore Securities and Futures Act 2001, under its RMO Licence general obligations. Pursuant to Section 5h(g) of the Commodity Exchange Act, by reason of such RMO having Swap Execution Facility (“SEF”) equivalence, NDF Transactions may be executed on the Platform by or on behalf of Participants that are US persons and such NDF Transactions are not required to be executed on a US SEF. Such NDF Transactions involving US persons are still required to be reported by such US persons to a US SEF.

1. **Execution and Settlement of NDF Transactions:** NDF Transactions may be executed and settled on the Platform by Participants by one of the two mutually exclusive methods below (and Participants will need to notify Provider in writing of their selected method which they may amend from time to time upon such written notice as Provider may require):
  - (i). bilaterally between a Participant and / or its Prime Broker (as defined in paragraph 2 below) on the one hand facing another Participant and/or its Prime Broker on the other hand, subject to the agreements that are in place between them and the credit limits that each shall have entered or caused to be entered on the Platform;
  - (ii). with Standard Chartered Bank (“SCB”) providing credit intermediation services in respect of such NDF Transactions subject to such conditions as SCB may impose from time to time and the credit limits SCB shall have entered or caused to be entered on the Platform (the “Credit Intermediation Facility”) (and see paragraphs 2v) and 3(a)).



## 2. Applicable Agreements:

- (a). Prior to being provided access to and being able to use Fenics NDF, each:
- (i). Participant may be required to enter into a client agreement or arrangement with Provider or its Affiliates (“Client Agreement”), whether trading in the name of a prime broker (price taker), for its own account as principal (liquidity provider), or on behalf of one or more third-party Participants (prime-of-prime users);
  - (ii). Participant will need to declare in writing to Provider whether it is a US person;
  - (iii). Participant that is a financial institution acting as a prime broker (“Prime Broker”) must have executed a Participating Financial Institution Agreement for Prime Brokers with Provider (“PFIA”);
  - (iv). Participant must have executed or be bound by Provider or its Affiliate's (as defined below) applicable Electronic Access and Trading Agreement, Electronic Trading Agreement, Electronic Access and Trading Terms (as amended from time to time) or such other document that in Provider or its Affiliate's opinion govern access to the Platform (“ESA”). Service or system as defined in the ESA includes Fenics NDF;
  - (v). Participant who wishes to use the Credit Intermediation Facility, shall have complied with and continue to comply with SCB's requirements (including execution of relevant documentation and agreements) and there shall be a current notification in place from SCB to Provider that Participant may use the Credit Intermediation Facility.
- (b). Each Participant's access to and use of Fenics NDF are expressly subject to its compliance with the terms and agreements or arrangements set out in paragraph 2(a) above, including of these OPPs, the relevant ESA, the applicable Client Agreement, where applicable, the PFIA, a SEF, compliance with SCB's requirements and SCB not having notified Provider that a Participant may no longer use the Credit Intermediation Facility. These OPPs shall survive the termination of a Participant's access to the Platform.

## 3. Obligations and Acknowledgements:

- (a). A Participant that wishes to use or is using the Credit Intermediation Facility acknowledges and agrees:
- (i). to SCB's Required Disclosures at Appendix 1 and in particular the exercise of its rights thereunder including what it may require from Provider;
  - (ii). that SCB may decline to enter into an NDF Transaction that Provider has notified to it under the Credit Intermediation Facility, including but not limited to, if a Participant is in default of its arrangements with SCB;
  - (iii). that SCB may cease to provide the Credit Intermediation Facility upon notice to Provider and Provider shall then cease to permit NDF. Transactions to be arranged to which SCB would otherwise be a counterparty;
  - (iv). that Provider may suspend or terminate Participant's access to the Platform if it suspects or discovers

any compromise of security by Participant; and

- (v). that Provider and its Affiliates do not bear any responsibility or liability of any nature arising out of or in connection with: (x) acts or omissions of SCB including arising from any instructions that SCB may give to Provider; or (y) any acts or omission of a Participant which gives rise to any of the foregoing and in either case, any effect they may have on any Participant.

In any event, Provider and its Affiliates shall not be liable for any loss of profit, business, revenue or opportunity (direct or indirect) or any special, indirect or consequential losses arising under or in connection with the foregoing in this paragraph (a) in relation to any Participant or third party. For the avoidance of doubt, SCB shall not be liable for any losses sustained by any Participant of either another Prime Broker or Provider.

- (b). Participants are responsible for fulfilling all applicable reporting obligations with respect to their NDF transactions.
- (c). Any Prime Broker acting in such capacity in respect of the Platform shall:
  - (i). keep the identities of all clients, whether or not it is a prime broker for such client, confidential. The identity of a client, and all trading activity, and any details related thereto, shall not be disclosed, or otherwise provided, to or made available to any other party (other than a regulatory/ self-regulatory authority with jurisdiction over such Prime Broker). The "identity of a client" means any information enabling a reasonably knowledgeable market participant to identify the relevant client, including, but not limited to, the client's trading activities and/ or style;
  - (ii). clear and settle all NDF Transactions without naming the client or using a mnemonic or other code name; and
  - (iii). ensure that no trade details for any NDF Transaction executed by or on behalf of a client, including, without limitation, the identity of the client, be made available to any area of the Prime Broker other than its prime brokerage operations area.
- (d). Client shall not determine or attempt to determine the identity or trading strategies of any counterparty Prime Brokers or other users accessing and/ or trading on the Platform.
- (e). Client agrees to maintain and retain records of its NDF Transactions in accordance with applicable law, rule, or regulation and to furnish such records to Provider upon its reasonable request. Client shall be solely responsible for determining the suitability of all orders, trades and instructions submitted on the Platform.
- (f). If client utilises a Prime Broker to trade on the Platform, client acknowledges that: (i) it must execute a separately negotiated prime brokerage agreement, or similar arrangement, with its Prime Broker(s) whereby client is authorized to execute NDF Transactions on the Platform in the name of such Prime Broker(s); and (ii) its Prime Broker has the right to restrict client's access to, or to impose limits on or suspend client's trading on the Platform, either generally or, to the extent relevant, in respect of specific CCY pairs.
- (g). Each client and Prime Broker acknowledge and agree that: (i) Provider shall not, directly or indirectly, be a principal or counterparty to any NDF Transaction or trade or be responsible for or otherwise guarantee the

performance of any NDF Transaction entered into by client; (ii) it may not and it shall not proceed against Provider and/ or its affiliates (existing now and from time-to-time) to collect or recover any amounts owed to it or to enforce any of its rights in connection with, or as a result of, any such NDF Transaction(s); (iii) NDF Transactions shall not be subject to revocation or modification by client or Prime Broker; (iv) a Provider Affiliate (existing now and from time-to-time) could be a counterparty to any NDF Transaction; (v) its use of the Platform shall not give rise to any fiduciary or equitable duties on the part of Provider; (vi) Provider may receive fees from more than one Prime Broker and/ or other third party(ies) in respect of any particular NDF Transaction; and (vii) there are substantial risks associated with currency transactions, foreign exchange markets and trading in swaps and derivatives generally, and engaging in NDF Transactions specifically.

#### 4. Trade Review Policy:

In accordance with its desire to maintain a fair and orderly trading environment, Provider may review NDF Transactions executed at prices inconsistent with prevailing market rates:

- (a) **Reviewable Trades.** In general, an NDF Transaction executed at a price that is at least 0.20% or a given pre-defined parameter away from the prevailing market price for the subject currency pair will be deemed to be inconsistent with prevailing market rates (a "Potentially Off-Market Transaction"). Such prevailing market price will be determined by Provider, in its discretion, by reference to readily available data concerning similarly sized orders and transactions in the subject contract at the time of execution. Provider reserves the right to review any NDF Transaction; however, Provider is not under any obligation to review any trade or NDF Transaction and shall have no liability for failing to do so. The above parameters (0.20%) used to determine Potentially Off-Market Transactions shall be periodically updated at the discretion of the Provider and published from time to time at <http://www.fenicsndf.com>.
- (b) **Requests.** If a Participant believes it has executed a Potentially Off-Market Transaction it may ask Provider to review such trade (a "Request"). Each Request will be considered on a case-by-case basis and in the sole discretion of Provider. Expedited reviews may be initiated by calling client services (at the telephone number set out below in paragraph 16), however, each Request must, at a minimum:
  - (i). be submitted via email to [NDF\\_Liquidity@fenicsfx.com](mailto:NDF_Liquidity@fenicsfx.com), with its Prime Broker (if any) copied, within 25 minutes of the execution of the NDF Transaction in question; and
  - (ii). contain, at a minimum, the following information: time of order entry and execution, contract, notional trade price, side (buy/ sell), and Participant's basis for believing the trade is off-market.

Provider reserves the right to decline to review any Request failing to satisfy the foregoing requirements; however, Provider may, in its sole discretion, review any such Request, including in instances where Participant was unable to comply with such minimum requirements due to circumstances beyond its reasonable control. Upon receipt of a Request, Provider will verify whether the NDF Transaction in question qualifies as a Potentially Off-Market Transaction.

- (c) **Reviews.** As promptly as practicable after initiating the review of an NDF Transaction, Provider will alert each

party to the NDF Transaction in question; informing them such trade is under review. During the course of a review, Provider may gather additional information regarding such NDF Transaction (without identifying the parties) and market conditions at the time of execution. Such information may include, without limitation, feedback from the parties to the NDF Transaction and pricing from market participants not involved in the trade.

- (d). **Resolution.** Provider will use good faith efforts to assist the parties to an NDF Transaction under review in arriving at a mutually acceptable resolution as promptly as practicable under the circumstances, however, Provider reserves the right to make a final determination and impose a resolution in its sole discretion. Provider may provide relevant data to the applicable parties and will use reasonable efforts to maintain their anonymity during the review and resolution process. Possible resolutions include, without limitation, each party settling the NDF Transaction as executed, modifying one or more of its terms, or voiding such trade. Provider will contact the relevant parties as promptly as practicable to notify them of its determination, typically within one hour of execution. Provider shall bear no liability for the failure of any parties to an NDF Transaction under review to reach a mutually acceptable resolution.

## 5. Disruptive Trading Practices and Market Surveillance:

Fenics NDF may monitor and measure behaviour that may be considered disruptive. Repeated occurrences of disorderly behaviours will be communicated to the Participant for appropriate action. Disruptive behavior types are characterized by, but are not limited to: speculative entry without genuine intent to trade, the entry of orders to create false impression of liquidity and actions equating to a deliberate disruption to an orderly market place.

As a result of disruptive behaviour, Provider may take such action as it seems necessary, including but not limited to:

- (i). Email notification of the infringement to the Participant designated contact;
- (ii). Provider reserves the right to restrict participation if a resolution cannot be reached.

## 6. Firm and Non-Firm Liquidity:

Participants have the ability to post firm and non-firm quotes to Fenics NDF and to view and interact with both firm and non-firm liquidity through Fenics NDF:

- (a). A quote that is executable against an incoming order without any further action is deemed a "firm quote".
- (b). On the other hand, a quote whereby the Participant posting such quote has the ability to either accept or decline an incoming order (within certain parameters determined by Provider) prior to its execution against such bid or offer is deemed a "non- firm quote". This enables such Participant to identify whether a trade

request is made at a price that is within a defined price range. Some market participants colloquially refer to a non-firm quote as one that is subject to a “last look”.

- (c). Upon request, Provider will provide a summary, of certain statistics (e.g., “fill” or “rejection” rates) relating to the Participant’s trading activity with a counterparty(ies), all on an anonymized and/ or aggregated basis.

## 7. **Priority of Matching:**

Orders/Quotes will be prioritized for matching based on the following sort: price; liquidity type (firm, last look); visibility (iceberg orders may contain a hidden notional amount which will be given a lower priority than visible notional amounts at the same level); and time.

## 8. **Order Types:**

Fenics NDF supports Market and Limit orders. These orders can be used in combination with various attributes to affect the behaviour of the order.

## 9. **Matching Engine:**

Fenics NDF has matching engines available in SG1 and LD4. These are distinct pools of liquidity and Participant can request to use either/both.

## 10. **Hours of Operation:**

Fenics NDF is designed to be available from Sunday at 5pm EST through Friday at 5pm EST, except on the Christmas and New Year’s Day (EST).

## 11. **Transfer of Market Risk:**

For firm quotes, market risk is transferred at the point an incoming order is matched against a firm quote on the Platform, resulting in an FX Transaction. For non-firm quotes, FX Transactions occur upon acceptance of an incoming order by the relevant Participant posting such non-firm quote. If a Participant providing non-firm liquidity attempts to accept an incoming order after the Platform’s 200ms response time window, as determined by Provider, has expired, then order will be deemed unexecuted, no FX Transaction will occur and automated notifications of the foregoing will be sent. The market risk resides with the Participant providing non-firm liquidity in this instance.

## 12. **Market Data Products:**

Provider does not currently offer any subscription-based market data products. The Provider or its affiliates own market data on the Platform and further sale or distribution of such data is prohibited.

### 13. Tags:

Anonymous numeric Participant identifiers are known as “Tags.” Platform systems are configured to not supply any real-time tags. Tags can be provided at end of day (5pm EST), upon request, via automated email or secure File Transfer Protocol. Tags are randomly generated upon creation of a Participant connection. While multiple connections from a single Participant may share the same Tag, for example where such Participant may have primary and backup connections, or use multiple Prime Brokers to trade, additional Tags cannot be applied to existing connections (also known as ‘re-tagging’).

The following so called ‘Tag Color’ may be provided to Participants at Provider’s sole discretion:

- Broad qualitative description that does not negate the anonymity of the underlying Participant.
- Qualitative and quantitative descriptions of mark-outs, if available and requested.
- Expected ADV and order sizes.
- Currency pairs traded.

Provider will provide, upon request, the Tag of an opposing Participant that rejects an order and the associated potential FX Transaction. Tags will be shared only with the relevant liquidity provider and liquidity consumer and tags are not shared in real-time.

### 14. Global Code:

Provider does not represent that any of its Participants has issued a Statement of Commitment to the FX Global Code (a “Statement”), including, without limitation, any Participants providing liquidity on the Platform. Further, certain of its Participants may make the affirmative decision not to issue a Statement or otherwise to align their activities with the principles of the Code and, further, such Participants may engage in conduct on the Platform in a manner that is not consistent with certain principles of the Code. Upon request from a Participant, to the extent feasible, Provider will provide the signatory status associated with any anonymous Tags that the relevant Participant has presented to Provider or that is maintained in a public registry. Provider is not responsible for any Participant’s signatory status nor any communication regarding a Participant’s signatory status.

### 15. Credit:

A Prime Broker may enter into Transactions on the Platform for its own account or may authorize certain of its clients to enter into FX Transactions on the Platform for the account of such clients as such clients’ agent. A Prime Broker which is entering into FX Transactions on the Platform for its own account may establish certain limits (“Credit Limits”) for any other Prime Broker on the Platform with which it intends to enter into FX Transactions. In addition, a Prime Broker which is acting as a prime broker on the Platform may establish Credit Limits for each of its clients. In either case, the Prime Broker may designate such Credit Limits directly on the Platform. Provider shall be entitled to rely upon information provided by such Prime Broker through the Platform and shall not be responsible for any losses to any Prime Broker, client or to any other person arising from such Prime Broker’s failure to adequately and appropriately monitor and maintain the Credit Limits of its clients and other Prime Brokers



with which it intends to enter into FX Transactions. The Prime Broker may, alternatively, communicate to Provider the Credit Limits of the other Prime Brokers with which it intends to enter into FX Transactions or the clients it has authorized to trade on its behalf in writing via email or via other written form of communication; provided, however, that the Credit Limits shall only be effective upon successful entry into the Platform's system, either by the Prime Broker or by Provider staff on its behalf. Prime Brokers may select the required credit methodology (DSL, Net, Gross etc.) to be used on the Platform. For the avoidance of any doubt, the foregoing shall not apply to SCB's provision of the Credit Intermediation Facility.

## 16. Definitions and interpretations:

**"Affiliate"** means, with respect to any person (legal entities and natural persons), any other person who, directly or indirectly (through one or more intermediaries), controls, is controlled by, or is under common control with, such person existing now and from time-to-time. For purposes of this definition, "control," when used with respect to any specified person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise; and the terms "controlling" and "controlled" shall have correlative meanings.

**"Participant"** or "Participants" means any of a client, a Prime Broker or SCB as the case may be.

**"Provider"** references to Provider in these OPPs means the BGC entity which provides Participant access to Fenics NDF as referred to below. References to "Provider" herein above may include more than Provider depending on the location of the respective Participant:

**Hong Kong** – Provider means BGC Capital Markets (Hong Kong) Limited Suite 6402-08, 64/ F Two International Finance Centre, 8 Finance Street, Central, Hong Kong and contact number: +852 3405 2722; and

**Singapore** – Provider means BGC Partners (Singapore) Limited 1 Temasek Avenue #22-01, Millenia Tower, Singapore 039192 and contact number: +65 6632 3890.

**"US person"** including an **"affiliate conduit"** bears the meaning under the "Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations" published by the U.S. Commodity Futures Trading Commission.

## 17. Definitions and interpretations:

Provider may, from time to time, by notice in writing to Participants (which may include by posting on the <http://www.fenicsfx.com>), modify these OPPs, which notified modifications shall bind Participants from the date of such notice or the effective date specified therein.

## APPENDIX 1

### STANDARD CHARTERED BANK ("SCB") | REQUIRED DISCLOSURES

1. Where SCB is the settlement agent in respect of matched NDF Transactions identified pursuant to these OPPs under the Credit Intermediation Facility, all FX Transactions that you execute through or with us under OPPs will be with SCB and subject to the applicable trading agreement between yourself and SCB. The fact that your FX Transactions will be with SCB offers you the efficiency and ease of having transactions with one counterparty for operational, netting and legal purposes. SCB may rely upon any notices provided by or through Provider, and shall not be obliged to make further inquiry as to the accuracy or bona fides of the content of such notice before accepting it in lieu of confirmation of a matching event from you directly.
2. SCB, without prior notice to you, may impose and amend parameters and limits on your ability to participate on the Platform with respect to SCB and/or certain other participants, and you agree to not exceed such parameters or limits.
3. SCB, without prior notice to you, shall have the right to suspend, terminate or limit your right to participate or otherwise use the Platform with respect to SCB as the settlement agent.
4. SCB will have the ability to view and manage all NDF Transactions entered into by it with you, and may obtain from the Platform any information it may reasonably require about your Transactions and contractual arrangements with the Platform. SCB shall keep your identity and all trade activity and/or style, and any details related thereto confidential and comply with any relevant personal data protection legislation.
5. SCB is compensated for acting in its capacity as a central settlement agent on the Platform. Specifically, under its arrangement with the Provider, SCB expects to receive a portion of the fee charged by the Provider for your use of the Platform. The fee charged by the Provider is charged in the form of a premium reflecting the difference between the price at which you enter into a transaction with a liquidity provider in the foreign exchange market.
6. Electronic and computer-based facilities and systems such as the Platform are inherently vulnerable to disruption, delay or failure and may become unavailable to the you as a result of foreseeable and unforeseeable events. You understand that you should maintain alternative trading arrangements in addition to the Platform for the placement and execution of your FX orders in the event that the Platform becomes unavailable (the establishment and maintenance of such alternative trading arrangements being your sole responsibility).
7. For the purposes of this Required Disclosure, 'you' means the relevant Participant and 'us' means SCB. Provider may, from time to time, by notice in writing to Participants (which may include by posting on the <http://www.fenicsndf.com>), modify these OPPs, which notified modifications shall bind Participants from the date of such notice or the effective date specified therein.