



**RBC Investor & Treasury Services
(UK) FX Derivatives Systematic
Internaliser Commercial Policy**

**RBC Investor & Treasury Services, UK
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1. Summary Statement

This document forms the RBC Investor & Treasury Services UK¹ ('RBC I&TS' or the 'Firm') FX Derivatives Systematic Internaliser Commercial Policy (the 'Policy') where it is a Systematic Internaliser² in relation to certain financial instruments specified in Regulation (EU) No 600/2014 ('MiFIR').

A 'Systematic Internaliser' is a firm which "on an organised, frequent, systematic and substantial basis, deals on own account when executing client orders outside a regulated market, an MTF or an OTF without operating a multilateral system" (see Article 4(1)(20) of the Second Markets in Financial Instruments Directive 2014 ('MiFID II')).

2. Scope

2.1 Categories of financial instrument

This Policy applies to all trading in Foreign Exchange Derivatives instruments where the Firm is designated as a Systematic Internaliser ('FX Derivatives'). For the purposes of this Policy, FX Derivatives comprise:

- Deliverable FX Forwards; and
- Deliverable FX Swaps

FX Derivatives are considered by ESMA not to have a liquid market. ESMA has published a website page for details on the transparency calculations, see link below: <https://www.esma.europa.eu/policy-activities/mifid-ii-and-mifir/transparency-calculations>

2.2 Purpose of this Policy

This Policy is designed to set out the following:

- when RBC I&TS will make SI quotes available; and
- how clients can access RBC I&TS' SI quotes.

3. Requirements

These requirements apply when RBC I&TS is a Systematic Internaliser in relation to FX Derivatives.

3.1 Provision of Quotes

Where the FX Derivative is admitted to trading on a 'Trading Venue' (as defined by MiFID II) and is considered 'illiquid', RBC I&TS will only disclose its SI quote to the individual client who requested the quote, subject to RBC I&TS agreeing to do so.

RBC I&TS reserves the right to limit the amount of transaction that any SI quote can be executed against.

3.2 Client Access to Quotes

Subject to Applicable Regulation, where RBC I&TS agrees to provide SI quotes it will do so on a non-discriminatory basis to all clients who:

¹ RBC I&TS is a brand name of the RBC Global Financial Group. In the UK, RBC I&TS operates out of the following UK authorised entities: RBC Investor Services Trust, London Branch; RBC investor Services Bank S.A., London Branch; Royal Bank of Canada, London Branch; RBC Europe Limited.

² RBC I&TS acts as a Systematic Internaliser through the RBC Investor Services Trust, London Branch entity only – FCA Register No. 435052.

- accepted and complied with RBC I&TS' terms of business and any related contractual documentation; and
- have not engaged in any attempt, in RBC I&TS' view, to create disorderly markets, (including, but not limited to, any action that would breach the Market Abuse Regulation 596/2014).

However RBC I&TS reserves the right to refuse to provide a SI quote for the following reasons:

- **Credit Status:** RBC I&TS will not provide access to SI quotes, where it considers, based on internal or external benchmarks that there is a "credit risk" in relation to a client. The Firm will therefore take into account any credit status, history or position of a client in accordance with its risk management framework before permitting such client access to SI quotes;
- **Counterparty risk:** RBC I&TS will not provide access to SI quotes, where it considers, based on internal or external benchmarks, that there is "counterparty risk" in relation to a client. RBC I&TS will make this determination with reference to its internal risk management factors such as exposure to such client and external benchmarks used to calculate counterparty risk; and
- **Settlement risk:** RBC I&TS will not provide access to SI quotes, where it considers there is a settlement risk in relation to such a client. Additionally, where the client does not provide adequate details or agreements in relation to the settlement procedures that would govern a transaction, RBC I&TS may not provide such client with access to its quotes.

3.3 Execution Terms

Where a client has requested and RBC I&TS has agreed to provide an SI quote, the client will have the ability to execute against such a SI quote, subject to RBC I&TS' terms of business with the client and this Policy. If the client does not execute against the SI quote provided, RBC I&TS will not be required to provide the client with another SI quote unless agreed by RBC I&TS'

3.4 Waivers

To the extent applicable, RBC I&TS may rely on certain pre-trade transparency waivers in accordance with MiFIR (each, a 'Waiver') and in such circumstances RBC I&TS will not be required to make an SI quote public, as stipulated by the relevant Waiver.

3.5 Updates, Errors and Withdrawing Quotes

RBC I&TS may update its quotes at any time, including to reflect changes in market conditions or its risk management or credit exposures.

RBC I&TS may withdraw its quotes where such quotes have been made in error, either due to technological failure or human error, such as erroneous input values.