

## VTB Capital plc (VTBC)

### MiFID II Commercial Policy for Published Quotes - Equities

#### 1. Overview

This document forms the VTB Capital Plc (“VTBC”) Equity Systematic Internaliser Commercial Policy (“the Policy”). This Policy applies in cases where VTBC acts as a Systematic Internaliser in respect of equity financial instruments that fall into the category set out in Section 2.

A Systematic Internaliser (SI), is an investment firm which, on an organised, frequent, systematic and substantial basis, deals on its own account when executing client orders outside a regulated market, a multilateral trading facility or an organised trading facility, in accordance with Article 4.1(20) of MIFID II.

#### 2. Scope of Commercial Policy

VTBC, in its capacity as a Systematic Internaliser (SI), is required to make public firm quotes in accordance with the pre-trade transparency rules in Regulation 600/2014 (MiFIR).

VTBC is permitted to decide, based on its commercial policy and in an objective, non-discriminatory manner, the clients to whom it provides access to these published quotes.

The purpose of this policy is to set out the framework under which VTBC will make firm quotes available to its clients in instruments in which it acts as a Systematic Internaliser.

Where VTBC operates as an SI it can be identified by the Market Identifier Code (MIC): VTBC and applies to the following products:

Asset Class	Sub Asset Class	Sub- Class Code	Scope
Equity	Shares	SHAR	Individual Instruments

LEI - 4OG4PIVJ3TT4O5NSN12

MIC Code – “VTBC”

#### 3. Publication of Quotes

VTBC will publish continuous two-way firm quotes only for those shares for which it has reached relevant SI thresholds in the preceding quarterly determination cycle.

VTBC will make public firm SI quotes in financial instruments that are traded on a 'trading venue' (as defined in MiFID II) that are designated 'liquid' by ESMA. Where there is not a liquid market, VTBC will disclose those price quotes to clients upon request.

Clients may request access to published quotes by using their standard salestrading channels. When looking to access a published quote a client may only execute upon that quote in accordance with all originally quoted terms.

VTBC reserves the right to limit the amount of transactions that can be executed against any quote.

Full list of securities in which VTBC acts as a Systematic Internaliser is available via central SI Registry Reference Data Utility (RDU).

#### **4. Restriction on Access**

To execute at a published quote, the client must already be on-boarded by VTB Capital plc for the specific product for which a quote has been provided. A client's profile is based on a combination of factors including VTBC's client on-boarding and credit worthiness (settlement risk) criteria.

VTBC may refuse to enter into or discontinue any business relationship with its clients on the basis of commercial considerations such as the client's credit status, counterparty risk and any risks associated with the final settlement of the transaction.

In addition, and notwithstanding that VTBC may continue to make quotes public, VTBC may be unable to execute transactions in an instrument with certain clients where applicable legal or regulatory restrictions prevent it from doing so.

#### **5. Execution Limits**

VTBC will establish non-discriminatory and transparent limits on the number of executions it permits against a published quote noting that:

- The number of executions at a given quote will be limited to one,
- VTBC reserves the right to update pricing at any time and in justified cases may offer price improvement on the published quote,
- Quotes may be withdrawn under exceptional market conditions,
- Quotes published by the SI will be bound by all other relevant regulatory obligations.

VTBC will take into account the following market factors when determining whether to execute a transaction at a given quote:

- The size and direction of the quote and subsequent request,
- Market events, volatility and time elapsed since the publication of the quote,
- VTBC's inventory in relevant instrument.

Where an instruction to execute against a published quote is received from multiple clients during one quoting period, priority shall be given to the first requesting client.

## **6. Timing of Quote**

A firm quote in respect of a transaction in an instrument may be considered stale (and thus no longer executable) if market conditions change or with the lapse of time (taking into account the liquidity and characteristics of the market for the instrument in question). In any event, the quote shall not be valid and deemed executable for a period of more than 10 seconds from the time of the original quote.

## **7. Exceptional Market Circumstances**

VTBC may withdraw its quotes under exceptional market conditions and if VTBC becomes aware of any error or omission in the quote.

Exceptional markets conditions are for instance:

- a) The Trading Venue where the financial instrument was first admitted to trading or the most relevant market in terms of liquidity halts trading for that financial instrument in accordance with Article 48(5) of MiFID II;
- b) The Trading Venue where the financial instrument was first admitted to trading or the most relevant market in terms of liquidity allows market making obligations to be suspended.