



**RBC Capital Markets**

**RBC Paris Branch  
Non-Equity Systematic Internaliser  
Commercial Policy**

**November 2020**

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## 1.0 Summary Statement

This document forms the RBC Paris Branch (“RBCPB” or “the Firm”) Non-Equity Systematic Internaliser Commercial Policy (“the Policy”). This Policy applies in cases where RBCPB acts as a Systematic Internaliser in respect of those financial instruments that fall into any of the asset classes set out in Section 2.1.

A “Systematic Internaliser” (“SI”) 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”).

## 2.0 Scope

### 2.1 Categories of Financial Instrument

This Policy applies to all trading in non-equity financial instruments where RBCPB is designated as a Systematic Internaliser (“Non-Equity Transactions”). For the purposes of this Policy, Non-Equity Transactions comprise:

- FX Derivatives;
- Interest Rate Derivatives.

### 2.2 Purpose of this Policy

This Policy is designed to clarify the following matters:

- when RBCPB will make SI quotes available;
- how clients can access RBCPB ’s SI quotes; and
- RBCPB ’s quoting hours, identifiers, and related matters.

## 3.0 Requirements

These following obligations apply when RBCPB is a Systematic Internaliser in relation to Non-Equity Transactions.

### 3.1 Provision of Quotes

As a SI RBCPB may be required to publish SI quotes. RBCPB will make public firm SI quotes in non-equity financial instruments that are traded on a 'trading venue' (as defined in MiFID II) and which are considered 'liquid'.

In accordance with MiFIR Article 18, RBCPB is not obliged to make public firm SI quotes in non-equity instruments in sizes above the size specific to the financial instrument (“SSTI”) or if a waiver applies to the relevant activity. Where the non-equity instrument is considered 'illiquid', RBCPB will only disclose its SI quote to the individual client who requested the quote, subject to RBCPB agreeing to do so.

RBCPB will make SI quotes available through its Approved Publication Arrangement (“APA”) TRAX. All SI quotes will be made available during normal trading hours.

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

The SI quotes that RBCPB makes available for 'liquid' non-equity instruments will be deemed executable for up to one second after publication.

### 3.2 Client Access to Quotes

Subject to applicable regulation, RBCPB will allow access to SI quotes to all clients who have:

- accepted and complied with RBCPB 's terms of business and any related contractual documentation;
- are not engaged in any attempt, in RBCPB 's view, to create disorderly markets, (including, but not limited to, any action that would breach the Market Abuse Regulation, Regulation (EU) 596/2014); and
- complied with any technical or connectivity specifications required to receive SI quotes (as set out below under paragraph, "Quote Access and Identifiers").

However RBCPB reserves the right to refuse to provide a client access to SI quotes for the following reasons:

- Credit Status: RBCPB will not provide access to SI quotes where it considers, based on internal or external benchmarks, that the "credit risk" in relation to a client exceeds RBCPB risk limits. RBCPB 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: RBCPB will not provide access to SI quotes where it considers, based on internal or external benchmarks, that the "counterparty risk" in relation to a client exceeds RBCPB risk limits. RBCPB will make such a determination with reference to its internal risk management factors such as exposure to client and external benchmarks used to calculate counterparty risk;
- Settlement risk: RBCPB will not provide access to SI quotes where it considers the "settlement risk" in relation to such a client exceeds RBCPB risk limits. Additionally, where the client does not provide adequate details or agreements in relation to the settlement procedures that would govern a transaction, RBCPB may choose not to provide such a client with access to its quotes.

### 3.3 Execution Terms

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

### 3.4 Waivers

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

### 3.5 Quote Access and Identifiers

In relation to any SI quote that is not subject to a Waiver, the SI quote will be published and made available via RBCPB's appointed APA.

The quotes will be made available in accordance with applicable regulation, including publication in machine readable format.

The ability of a client to access RBCPB's SI quotes will be contingent on said client having entered into any necessary agreement governing connectivity and technical specifications.

A client will be able to identify an SI quote published by RBCPB in accordance with the above procedures through the following identifiers:

**Royal Bank of Canada, Paris Branch**

- Market Identifier Code (MIC) – RBCC;
- Legal Entity Identifier (LEI) – ES7IP3U3RHIGC71XBU11; and
- Bank Identifier Code (BIC) – ROYCFRPB.

### **3.6 Updates, Errors and Withdrawing Quotes**

RBCPB reserves the right to withdraw its quotes under exceptional market conditions in accordance with Commission Delegated Regulation (EU) 2017/56, Article 14. RBCPB has determined that such conditions would exist where the obligation to provide firm prices to clients would be contrary to the prudent management of the risks it is exposed to in its capacity as a Systematic Internaliser.

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

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