



**RBC Capital Markets**

## **RBCCM Europe Equity Systematic Internaliser Commercial Policy**

**RBC Capital Markets, Europe  
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## 1.0 Summary Statement

This document forms the RBC Capital Markets <sup>1</sup> ("RBCCM" or "the Firm") Europe Equity Systematic Internaliser Commercial Policy ("the Policy"). This Policy applies in cases where RBCCM 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").

Following the UK's departure from the EU, all references in this document to MiFID II or MiFIR should be read as also referring to the corresponding provision in the UK requirements, including any amendments as made by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018, as they apply to RBCCM entities registered in the UK.

## 2.0 Scope

### 2.1 Categories of financial instrument

This Policy applies to all trading in equity/equity-like instruments where RBCCM is designated as a Systematic Internaliser ("Equity Transactions"). For the purposes of this Policy, Equity Transactions comprise of:

- Shares;
- Depository receipts;
- Exchange Traded Funds ("ETFs"); and
- Certificates; and other similar financial instruments.

### 2.2 Purpose of this Policy

This Policy is designed to clarify the following matters:

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

## 3.0 Requirements

These following obligations apply when RBCCM is a Systematic Internaliser in relation to Equity Transactions.

### 3.1 Provision of Quotes

RBCCM will make public firm SI quotes in financial instruments that are traded on a 'trading venue' (as defined in MiFID II) that are considered 'liquid'.

Where the underlying financial instrument is admitted to trading on a 'trading venue' and is considered 'illiquid', RBCCM will provide a firm quote to a client upon request.

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<sup>1</sup> RBC Capital Markets is the trading name of the following legal entities that are registered in the UK: RBC Europe Limited and Royal Bank of Canada, London Branch, and the following legal entities that are registered in the EEA: RBC Capital Markets (Europe) GmbH and its branches, and Royal Bank of Canada, Paris Branch.

RBCCM's minimum SI quote size will be 10% of the standard market size for the relevant financial instrument.

RBCCM will make SI quotes available for 'liquid' instruments through its Approved Publication Arrangement ("APA") Cboe (formerly BATS). All 'liquid' instrument quotes will be made available during normal trading hours.

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

RBCCM will make SI quotes available for 'liquid' instruments deemed executable up to 10 seconds after publication.

RBCCM SI quotes, price improvements and executions will be in accordance with the minimum price increments set out in Article 17a of MiFIR and Article 49 of MiFID II. In accordance with this article, transactions may be executed at mid-point within the current bid and offer prices.

### 3.2 Client Access to Quotes

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

- accepted and complied with RBCCM's terms of business and any related contractual documentation;
- who are not engaged in any attempt, in RBCCM'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
- have complied with any technical or connectivity specifications required to receive SI quotes (as set out below under paragraph, "Quote Access and Identifiers").

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

- Credit Status: RBCCM 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. RBCCM 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: RBCCM 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. RBCCM 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: RBCCM 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, RBCCM may choose not to provide such a client with access to its quotes.

### 3.3 Execution Terms

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

In relation to any SI quote that is not executed by the receiving client, or is only executed partially by said client, the SI quote will become executable by clients who have been given access to SI quotes (based on the factors set out above). Where a client has only executed part of the SI quote, only the

remaining amount, in terms of volume, will be executable by other clients who have access to SI quotes.

### **3.4 Waivers**

To the extent applicable, RBCCM 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 a 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:

- RBCCM's appointed APA; and
- RBCCM's URL interface,

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

The ability of a client to access RBCCM'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 RBCCM in accordance with the above procedures through the following identifiers:

#### **RBC Europe Limited**

- Market Identifier Code (MIC), RBCE;
- Legal Entity Identifier (LEI), TXDSU46SXBWIGJ8G8E98; and
- Bank Identifier Code (BIC), ROYCGB22TRX.

#### **RBC Capital Markets (Europe) GmbH**

- Market Identifier Code (MIC), RBCG
- Legal Entity Identifier (LEI), 549300SXSTGQY3EA1B18; and
- Bank Identifier Code (BIC), RCMCDEFF.

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

RBCCM reserves the right to withdraw its quotes under exceptional market conditions in accordance with Commission Delegated Regulation (EU) 2017/56, Article 14. RBCCM has determined this to be 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.

RBCCM 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.

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

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