



**RBC Capital Markets**

**RBCCM Europe Non-Equity  
Systematic Internaliser Commercial  
Policy**

**RBC Capital Markets, Europe  
August 2024**

---

## TABLE OF CONTENTS

<b>1.0</b>	<b>Summary Statement.....</b>	<b>3</b>
<b>2.0</b>	<b>Scope .....</b>	<b>3</b>
<b>2.1</b>	<b>Categories of financial instrument .....</b>	<b>3</b>
<b>2.2</b>	<b>Purpose of this Policy .....</b>	<b>3</b>
<b>3.0</b>	<b>Requirements .....</b>	<b>3</b>
<b>3.1</b>	<b>Provision of Quotes .....</b>	<b>3</b>
<b>3.2</b>	<b>Client Access to Quotes .....</b>	<b>4</b>
<b>3.3</b>	<b>Execution Terms.....</b>	<b>4</b>
<b>3.4</b>	<b>Waivers .....</b>	<b>4</b>
<b>3.5</b>	<b>Quote Access and Identifiers .....</b>	<b>4</b>
<b>3.6</b>	<b>Updates, Errors and Withdrawing Quotes.....</b>	<b>5</b>

## 1.0 Summary Statement

This document forms the RBC Capital Markets<sup>1</sup> ("RBCCM" or the "Firm") Europe Non-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. For avoidance of doubt, this Policy does not apply to RBC Paris Branch ("RBCPB") whose Commercial Policy when acting as a systematic internaliser in non-equity instruments is documented separately.

A "Systematic Internaliser" ("SI") is a firm which "on an organized, 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 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 non-equity financial instruments where RBCCM is designated as a Systematic Internaliser ("Non-Equity Transactions"). For the purposes of this Policy, Non-Equity Transactions comprise:

- Cash bonds (RBC Europe Limited, and Royal Bank of Canada, London Branch);
- FX Derivatives sub-asset classes excluding FX Futures (Royal Bank of Canada, London Branch); and
- Interest Rate Derivatives sub-asset classes excluding Bond Futures/Forwards, Bond options and Swaptions (Royal Bank of Canada, London Branch).

RBCCM is not designated as a Systematic Internaliser in Credit Derivatives.

### 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

As of 28 March 2024, the obligation for SIs to make public firm quotes in respect of Non-Equity transactions (Article 18) has been removed from MiFID II and Regulation (EU) No 600/2014 of the European Parliament and of the Council ("EU MiFIR"). As a result, the obligations and arrangements below apply to RBCCM UK legal entities in relation to Non-Equity Transactions under the UK onshored version of Regulation (EU) No 600/2014 of the European Parliament and of the Council ("UK MiFIR") only.

Article 18(5) of the UK MiFIR requires a SI to make the firm quotes that it publishes in accordance with paragraph 1 of UK MiFIR available to its other clients for execution. An SI may decide on the basis of its commercial policy and in an objective non-discriminatory way, the clients to whom it gives access to its quotes. The commercial policy must lay out clear standards for governing access to its quotes, which can take into account commercial considerations.

### **3.1 Provision of Quotes**

As a SI RBCCM may be required to publish SI quotes. RBCCM will make public firm SI quotes in non-

---

<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.

equity financial instruments that are traded on a 'trading venue' (as defined in MiFID II) and which are considered 'liquid'.

RBCCM 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', RBCCM will only disclose its SI quote to the individual client who requested the quote, subject to RBCCM agreeing to do so.

RBCCM will make SI quotes available through its Approved Publication Arrangement ("APA") TRAX. All SI 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.

The SI quotes that RBCCM 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, 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;
- 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
- 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, a 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.

### 3.4 Waivers

To the extent applicable, RBCCM may rely on certain pre-trade transparency waivers in accordance with UK 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 RBCCM'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 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) – ROYCGB22.

#### **Royal Bank of Canada, London Branch**

- Market Identifier Code (MIC) – RBCM;
- Legal Entity Identifier (LEI) – ES7IP3U3RHIGC71XBU11 and
- Bank Identifier Code (BIC) – ROYCGB2L.

### 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 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 SI.

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.

**End of document**