

# Commercial Policy for Nordea as a Systematic Internaliser

*1 July 2024*

This Commercial Policy for Nordea Bank Abp (“Nordea”) as a Systematic Internaliser (the “Commercial Policy”) has been approved on 1 July 2024

## **1. Background**

With reference to the applicable MiFID Directive and MiFIR Regulation, a systematic internaliser is defined as an investment firm which, on an organised, frequent, systematic and substantial basis, deals on own account in financial instruments by executing client orders outside a regulated market, a multilateral trading facility or an organised trading facility without operating a multilateral system, or which opts in to the status of systematic internaliser.

There are certain regulatory requirements pertaining to the definition of “frequent, systematic and substantial” which require an investment firm to act as systematic internaliser. An investment firm may also choose to opt-in as a systematic internaliser for certain financial instruments or groups thereof.

As a systematic internaliser – whether by fulfilling the regulatory requirements or by opting in – Nordea shall make quotes available to its customers and the public for certain financial instruments considered liquid. As a systematic internaliser, Nordea is further under an obligation to enter into transactions based on a given quote in such financial instruments but may limit the number of such transactions. For certain other financial instruments considered to be illiquid Nordea shall make the quotes available to customers on request.

In relation to non-equity instruments, a systematic internaliser may fulfill pre-trade transparency requirements on a voluntary basis.

## **2. Purpose of the Commercial Policy**

This Commercial Policy primarily sets out Nordea’s standards for governing access to quotes as required by MiFIR and secondly it sets out certain other particulars that are relevant for a customer to be aware of. In addition to the Commercial Policy, the regulatory requirements as stated in MiFIR and the implemented national legislation will apply to the quotes.

## **3. Scope**

Nordea is systematic internaliser in the financial instruments listed in each respective Appendix.

The obligations as systematic internaliser apply only to financial instruments considered to be traded on a trading venue (as defined in MiFIR). They are not applicable to primary market transactions such as issuance, allotment or subscription for securities.

## **4. General on quotes**

Any quote provided by Nordea shall be such as to ensure that Nordea complies with its obligations under its Execution Policy and shall reflect prevailing market conditions in relation to prices at which transactions are concluded for the same or similar financial instruments on a trading venue. However, Nordea may, in justified cases, execute orders at a better price provided that the price falls within a public range close to market conditions.

## **5. Availability and publicity of quotes**

Quotes are provided to customers by Nordea in the manner described in each relevant Appendix, which also sets out how quotes can be accessed by customers.

Quotes are made public by Nordea in the manner described in each relevant Appendix. Nordea reserves the right to charge a fee for access to quotes. In rare occasions, Nordea might be temporarily hindered to provide quotes in a specific financial instrument covered by this policy due to its role in certain transactions.

## **6. Updates and validity of quotes**

Each quote may be updated at any time and may be withdrawn under exceptional market conditions.

## **7. Number of transactions on each quote**

Nordea may limit the number of transactions Nordea undertakes to enter into with a customer based on a quote to one transaction, which includes the original requesting customer.

Nordea may refuse to enter into or discontinue business relationships with customers on the basis of commercial considerations, including but not limited to the customer's credit status, the counterparty risk and the final settlement of the transaction.

## **8. Availability**

This Commercial Policy is made available to clients on the following website: <https://nordeamarkets.com/trade-conditions/>. The quotes in different financial instruments may be published on different websites.

## **9. Revision**

The Commercial Policy and its Appendices are subject to revision on an annual basis and to such regular revision upon the occurrence of material changes to Nordea's systematic internaliser status due to amended regulation or otherwise when Nordea deems it necessary to make any changes.

# Commercial Policy Appendix

## Interest Rate Derivatives

1 July 2024

### 1. Products in Scope

Nordea is systematic internaliser in the following Interest Rate Derivatives (“IRD”):

- All interest rate derivatives that are traded on a trading venue

### 2. Liquid instruments

Where Nordea trades on a bilateral basis in IRDs defined as liquid and traded on a trading venue, Nordea will on a voluntary basis publish “base prices” on the website specified in section 8 below. Base prices are defined as the price Nordea would offer to a customer with no counterparty credit risk or other customer specific considerations (including current derivatives portfolio and funding implications) for sizes at or below the SSTI for the relevant IRD.

### 3. Updates and validity of quotes

Nordea will always publish the latest base price, on which the customer can trade (subject to customer specific costs and charges). The prices may be updated by Nordea at any time.

Nordea may withdraw a quote in case of exceptional market conditions.

### 4. Transactions based on quotes

Nordea undertakes to enter into transactions with customers under the published base price, adjusted for the customer specific costs and charges, when the quoted size is at or below the SSTI. Nordea will reserve the right to transact only a single transaction on any given quote, if Nordea deems that it would otherwise expose itself to undue risk.

### 5. Packaged transactions

For package transactions that include at least one IRD, and depending on whether the package as a whole is considered liquid or not, Nordea will make available and publish or disclose upon request base price quotes for the package as mentioned above.

### 6. Trading hours

Nordea will publish quotes during normal trading hours for IRDs.

## **7. Website**

Quotes are provided on the following website:

<https://e-markets.nordea.com/#!/si-quotes>

Access to this website is free and available without login details. Nordea is at present not charging a fee for access to quotes with respect to IRDs.

# Commercial Policy Appendix

## FX Derivatives

*1 July 2024*

### **1. Products in Scope**

Nordea is systematic internaliser in the following FX Derivatives:

- All FX Derivatives that are traded on a trading venue (except FX options)

### **2. Packaged transactions**

For quotes for package transactions that include at least one FX Derivative, Nordea will disclose upon request base price quotes for the package as a whole.

### **3. Trading hours**

Nordea will act as a systematic internaliser normal trading hours for FX Derivatives as per the following: 24 hours a day starting Monday 5.00 a.m. Sydney time until Friday 5.00 p.m. New York time. Permanent closing days are, except Saturdays and Sundays, Christmas Day (25 December) and New Year's Day (1 January).

# Commercial Policy Appendix

## Bonds

*1 July 2024*

### **1. Products in Scope**

Nordea is systematic internaliser in the following bonds:

- All bonds that are traded on a trading venue

### **2. Liquid instruments**

Nordea will on a voluntary basis publish “base prices” on the website specified in section 8 below. Base prices for bonds are defined as the price Nordea would offer to a customer with no other customer specific considerations for sizes at or below the SSTI for the relevant bond class.

### **3. Updates and validity of quotes**

Nordea will always publish the latest base price, on which the customer can trade (subject to customer specific costs and charges). The prices may be updated by Nordea at any time.

Nordea may withdraw a quote in case of exceptional market conditions.

### **4. Transactions based on quotes**

Nordea undertakes to enter into transactions with customers under the published base price, adjusted for the customer specific costs and charges, when the quoted size is at or below the SSTI. Nordea will reserve the right to transact only a single transaction on any given quote, if Nordea deems that it would otherwise expose itself to undue risk.

### **5. Packaged transactions**

For package transactions that include at least one bond, Nordea will make available and publish or disclose upon request base price quotes for the package as mentioned above.

### **6. Trading hours**

Nordea will publish quotes during normal trading hours for bonds.

## **7. Website**

Quotes are provided on the following website:

<https://e-markets.nordea.com/#!/si-quotes>

Access to this website is free and available without login details. Nordea is at present not charging a fee for access to quotes with respect to bonds.

# Commercial Policy Appendix Equities

*1 July 2024*

## **1. Products in Scope**

Nordea is systematic internaliser in the following financial instruments:

- All shares that are traded on a trading venue in Denmark, Finland, Sweden and Norway.
- All ETF that are traded on a trading venue in Denmark and Sweden.

## **2. Liquid instruments**

With respect to shares and ETFs, Nordea will fulfil its obligations as systematic internaliser by publishing quotes as specified in section 5 below.

Nordea will allow access to the quotes for customers of Nordea. Nordea may refuse to enter into or discontinue business relationships with customers on the basis of commercial considerations, including but not limited to the customer's credit status, the counterparty risk and the final settlement of the transaction.

## **3. Illiquid instruments**

For illiquid shares and ETFs, Nordea will disclose quotes to customers on request.

## **4. Trading hours**

Nordea will fulfil its obligation as a systematic internaliser during the normal trading hours for the relevant regulated market where the share or ETF is traded.

## **5. Publishing**

Quotes are provided via the Cboe Systematic Internaliser Quote Service for pre-trade transparency.