

Nordea Markets Foreign Exchange (FX) Disclosure Notice; Liquidity Provider Cover Sheet

INSTRUCTIONS:

All Liquidity Providers should complete this Cover Sheet in relation to their wholesale foreign exchange market making activities. Liquidity Providers can make use of the FAQs and the “Liquidity Provider Disclosure Cover Sheet Instructions” available on the GFXC website to facilitate the completion of this Cover Sheet ([Disclosure Cover Sheets \(globalfx.org\)](https://www.globalfx.org/docs/fx_global.pdf)). All terms used in this Cover Sheet are as defined in the FX Global Code unless otherwise stated (https://www.globalfx.org/docs/fx_global.pdf).

SCOPE:

Liquidity Provider / Entity Name: **Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Finland.**

Most Recent Date Completed: **2022 Feb 3rd**

Liquidity Provider to confirm the entity / business area(s) to which this Cover Sheet applies:

This cover sheet relates solely to the wholesale foreign exchange business of Nordea Bank Abp acting through its business unit **Nordea Markets**.

A. KEY DISCLOSURES:

1. Capacity (Principle 8)

I. Liquidity Provider acts as (check one):

- ☐ Agent
☒ **Principal**
☐ Both

II. If ‘Both’, briefly describe when Liquidity Provider acts in each capacity:

N/A

- III. Liquidity Provider's disclosure regarding capacity is located here:

Nordea Markets Foreign Exchange (FX) Disclosure Notice; Trading Practices available at <https://nordeamarkets.com/trade-conditions/>

Please see sections:

"Nordea's role when executing a customer order" and

"Market Making"

2. Pre-Hedging (Principle 11)

- I. Liquidity Provider ever pre-hedges (check one):

☒ **Yes**

☐ No

- II. If yes, Liquidity Provider ever offers clients, upon request, the option of placing an individual order specifying no pre-hedging (check one):

☒ **Yes**

☐ No

- III. Liquidity Provider's disclosure regarding pre-hedging is located here:

Nordea Markets Foreign Exchange (FX) Disclosure Notice; Trading Practices available at <https://nordeamarkets.com/trade-conditions/>

Please see sections:

"Pre-hedging"

3. Last Look (Principle 17)

- I. Liquidity Provider ever employs Last Look (as defined in the FX Global Code) (check one):

☒ **Yes**

☐ No

- II. Liquidity Provider's use of Last Look is (check all that apply):

☒ **Symmetrical**

☒ **Asymmetrical**

If Asymmetrical is used, briefly describe the circumstances:

Nordea Markets only employs asymmetrical last look in cases where intermediary eFX platforms does not support price improvements. In all other cases, symmetrical last look is applied.

III. Liquidity Provider's Last Look window maximum and minimum length (in m/s)

Nordea Markets does not employ an artificial hold in last look. The length of the deal acceptance process is solely determined by the speed at which the deal and price validation takes. This includes a credit check unless otherwise agreed. The typical time to fill or reject is around 25-30ms. The time is not entirely deterministic due to IT infrastructure.

Liquidity Provider may briefly describe the circumstances under which Last Look window times may change.

Nordea Markets does not employ an artificial speed bump on the deal acceptance/rejection – thus any change to the perceived last look time is solely related to non-deterministic latency in the deal flow, specifically, but not limited to: variable latency on networks, credit check and deal processing flow.

IV. Liquidity Provider ever trades during the Last Look window:

☒ **No**

☐ When sourcing liquidity under a "Cover and Deal" arrangement that meets all of the characteristics set out in Principle 17 of the Code.

V. Liquidity Provider's disclosure regarding Last Look is located here:

Nordea Markets Foreign Exchange (FX) Disclosure Notice; Trading Practices available at <https://nordeamarkets.com/trade-conditions/>

Please see sections:

"Pre-trade validation checks and price adjustments"

VI. Liquidity Provider may include free form text regarding any of the above Last Look key topics, if it would like to highlight anything referenced in the main body of its disclosure attached

Nordea defines symmetric last-look as the ability to pass on a price improvement to the customer, equal to the price move in favor of the bank minus last look threshold which is applied symmetrically. Example: Consider the case where the quoted price is 10, the maximum acceptance threshold is 1. If the customer is selling, and the current price is 9, the trade will be accepted at 9. Should the price be 8, the trade is rejected. If the actual price at the time of the last look is 11, the trade is done at 10, since $11 (\text{actual price}) - 1 (\text{threshold}) = 10$. If the actual price is 12, then $12 - 1 = 11$, and thus the client will trade at 11, and thereby receive a price improvement of 1.

B. DISCLOSURES INDEX:

1. Order Handling

Order Aggregation (Principle 9)

- I. Liquidity Provider's disclosure regarding order aggregation is located here:

Nordea Markets Foreign Exchange (FX) Disclosure Notice; Trading Practices
available at <https://nordeamarkets.com/trade-conditions/>

Please see sections:

"Order execution"

Discretion (Principle 9)

- I. Liquidity Provider's disclosure regarding use of discretion is located here:

Nordea Markets Foreign Exchange (FX) Disclosure Notice; Trading Practices
available at <https://nordeamarkets.com/trade-conditions/>

Please see sections:

"Order execution"

Time-Stamping (Principle 9)

- I. Liquidity Provider's disclosure regarding time-stamping is located here:

Nordea Markets Foreign Exchange (FX) Disclosure Notice; Trading Practices
available at <https://nordeamarkets.com/trade-conditions/>

Please see sections:

"Order execution"

Stop-Loss Orders (Principle 10)

- I. Liquidity Provider's disclosure regarding stop-loss orders is located here:

Nordea Markets Foreign Exchange (FX) Disclosure Notice; Trading Practices
available at <https://nordeamarkets.com/trade-conditions/>

Please see sections:

“Resting orders”

Partial Fills (Principle 10)

- I. Liquidity Provider’s disclosure regarding use of partial fills is located here:

Nordea Markets Foreign Exchange (FX) Disclosure Notice; Trading Practices
available at <https://nordeamarkets.com/trade-conditions/>

Please see sections:

“Order execution”

2. Additional Disclosures

Use of Reference Prices (Principle 13)

- I. Liquidity Provider’s disclosure regarding use of reference prices is located here:

Nordea Markets Foreign Exchange (FX) Disclosure Notice; Trading Practices
available at <https://nordeamarkets.com/trade-conditions/>

Please see sections:

“Order execution”

Markup / Fair Pricing Standards (Principle 14)

- I. Liquidity Provider’s disclosure regarding use of mark-up is located here:

Nordea Markets Foreign Exchange (FX) Disclosure Notice; Trading Practices
available at <https://nordeamarkets.com/trade-conditions/>

Please see sections:

“Pricing”

Aggregation Services (Principle 18)

- I. Liquidity Provider uses aggregation services:

☐ Yes

☒ **No**

- II. If ‘Yes’, Liquidity Provider’s disclosure describing its aggregation services is located here:

N/A

- III. Liquidity Provider’s disclosure regarding use of liquidity sources is located here:

N/A

Internal sharing of Confidential FX Trading Information (Principle 19)

- I. Liquidity Provider's high level disclosure regarding internal sharing of confidential FX Trading Information is located here:

Nordea Markets Foreign Exchange (FX) Disclosure Notice; Trading Practices
available at <https://nordeamarkets.com/trade-conditions/>

Please see sections:

"Information handling"

Market Colour (Principle 20)

- I. Liquidity Provider's disclosure regarding use of Market Colour is located here:

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available at <https://nordeamarkets.com/trade-conditions/>

Please see sections:

"Information handling"