

SYSTEMATIC INTERNALISER COMMERCIAL POLICY

April 2024

Table of contents

| | |
|--|---|
| 1. PURPOSE | 3 |
| 2. SCOPE | 3 |
| 3. DEFINITIONS..... | 3 |
| 4. PRE-TRADE TRANSPARENCY AND EXEMPTIONS | 4 |
| 5. CONDITIONS OF PUBLICATION OF FIRM QUOTES | 4 |
| 6. ACCESS TO FIRM QUOTES | 4 |
| 7. POST-TRADE TRANSPARENCY AND DEFERRED PUBLICATION | 5 |
| APPENDIX: FINANCIAL INSTRUMENTS FOR WHICH CIC IS AN SI IN THE EU | 6 |



1. PURPOSE

Under Article 4(1)(20) of Directive 2014/65/EU of 15 May 2014 ("**MiFID II**") as transposed into the French Monetary and Financial Code¹, a systematic internaliser ("**SI**") is an investment firm, other than an asset management company, which, on an organised, frequent, systematic and substantial manner, trades on own account when executing client orders outside a regulated market ("**Regulated Market**"), a multilateral trading facility ("**MTF**") or an organised trading facility ("**OTF**").

This document (the "**Commercial Policy**") aims to provide information on the SI activity carried out by Crédit Industriel et Commercial, (hereafter referred to as "**CIC**"). It sets out, notably, the obligations relating to pre and post-trade transparency and access to firm quotes published by CIC (as defined below).

This Commercial Policy shall apply as of its publication. Any update or amendment will replace the previous version and shall be considered applicable as of its publication.

2. SCOPE

This Commercial Policy applies to all transactions in Instruments Other than Equity Type (as defined below) for which CIC has SI status in the European Union.

For the purposes of this Commercial Policy, this includes financial instruments belonging to the following sub-class of assets, as defined in Delegated Regulation No. 2017/583:

- Corporate bonds (CRPB)

Consequently, when CIC trades a financial instrument excluded from the above-mentioned asset sub-class, CIC does not act as an SI.

CIC operates as an SI under the following MIC (Market Identifier Code): **CMCI**. Further details are also available in the Appendix.

3. DEFINITIONS

For the purposes of this Commercial Policy, terms used but not defined herein shall have the following meanings:

AMF: *Autorité des Marchés Financiers*, i.e. the French market regulator.

APA: Approved Publication Arrangement as defined in Article 2(1)(34) of MiFIR.

ESMA: European Securities and Markets Authority.

Actionable indication of interest: a message as defined in Article 2(1)(33) of MiFIR.

Instruments Other than Equity Type (or individually an Instrument Other than an Equity Type): pursuant to MiFID II, bonds, structured finance products, emission allowances and derivatives.

Package Orders: an order whose price is fixed as a single unit for the purpose of executing an exchange for physical or in two or more financial instruments for the purpose of executing a package of transactions in accordance with Article 2(49) of MiFIR.

Trading Venue: Pursuant to Article 4(1)(24) of MiFID II, a Regulated Market, an MTF or an OTF as defined in Articles 4(1)(21), 4(1)(22) and 4(1)(23) of MiFID II.

¹ Article L. 533-32 of the French Monetary and Financial Code.

Firm Quote (or collectively Firm Quotes): Executable prices provided by the SI that guarantee a bid or offer price for a determined quantity of a given financial instrument.

TOTV (Traded on Trading Venue): Financial instruments admitted for trading on a trading venue.

EU: European Union.

4. PRE-TRADE TRANSPARENCY AND EXEMPTIONS

In accordance with Article 18 of Regulation (EU) No. 600/2014 of 15 May 2014 ("**MiFIR**"), investment firms shall make public Firm Quotes for Instruments Other than Equity Type TOTV for which there is a liquid market and for which they are SI unless exemptions or temporary suspensions are provided for by regulation.

CIC carries out its SI activities under the supervision of the AMF. It will thus apply the exemptions from pre-trade transparency as set out in the AMF's General Regulation, which refer to those provided for by MiFIR, and will not make public information for:

- orders that are large in scale compared with normal market size ("**LIS**" orders);
- derivatives which are not subject to the trading obligation specified in Article 28 of MiFIR and other financial instruments for which there is no liquid market;
- orders for the purpose of executing an exchange for physical; and
- Package Orders.

The liquidity and notions of TOTV and LIS depending on the financial instrument concerned is information that is available on the ESMA website and that is updated regularly.

5. CONDITIONS OF PUBLICATION OF FIRM QUOTES

The CIC will publish Firm Quotes in respect of Instruments Other than Equity Type for which it is acting as an SI and for which there is a liquid market when all of the following conditions are met:

- A CIC client requests a quote on an Instrument Other than an Equity Security outside a Trading Venue;
- CIC agrees to provide a Firm Quote;
- the transaction for which CIC is providing a Firm Quote is not exempted from pre-trade transparency in accordance with MiFIR;
- the Instrument Other than an Equity Security is TOTV;
- there is no exemption from or suspension of pre-trade transparency from the AMF, ESMA or under MiFIR that could affect the transaction.

In respect of Instruments Other than Equity Type TOTV for which there is no liquid market, CIC may (subject to acceptance and without incurring any obligation to do so) communicate quotes at a client's request.

Firm Quotes that meet all these conditions will be published by means of an APA (see the Appendix).

6. ACCESS TO FIRM QUOTES

The published Firm Quotes shall be considered valid as of their publication and will remain so for a reasonable period so that potential clients are able to accept them.

These clients could have access to Firm Quotes made public under the aforementioned manner and conditions of publication subject to fulfilling the following prior conditions:

- the client has respected the entry-into-a-relationship procedure and been accepted by CIC after all the appropriate due diligence has been conducted and a classification in accordance with MiFID II given to the client; and
- the client has a valid LEI (Legal Entity Identifier) and has sent it to CIC.

With a view to the cautious management of its risk, CIC reserves the right to refuse clients access to Firm Quotes based on objective and non-discriminatory criteria. In particular (but not solely), this refusal may arise when (i) the client belongs to another category than that of the client to which the Firm Quote was provided or (ii) market conditions have changed since the publication of the initial Firm Quote. CIC may refuse to enter into a commercial relationship or may terminate such a relationship on the basis of considerations relating to the solvency of the client, the counterparty risk, or the final settlement of the transaction. Moreover, CIC also reserves the right to update or withdraw all its Firm Quotes at any time in the event of exceptional market conditions.

Pursuant to MiFIR, CIC may limit the number of transactions it accepts from the same client as well as the total number of transactions it undertakes with different clients. As a result, the maximum number of transactions executed at the published quote is set at one transaction.

7. POST-TRADE TRANSPARENCY AND DEFERRED PUBLICATION

CIC, when acting as an SI, makes public information on the volume and price of transactions in Instruments Other than Equity Type and the time at which they were concluded in accordance with Article 21 of MiFIR.

As provided for in the AMF General Regulation and MiFIR², CIC may defer publication of details of a transaction for the purposes of post-trade transparency provided that one or other of the following criteria is met:

- the transaction is large in scale compared with the normal market size;
- the transaction is in a financial instrument or a class of financial instruments for which there is not a liquid market;
- the transaction is executed between an investment firm dealing on own account, other than on a matched principal with interposition of the own account and another counterparty; and is above a size specific to the instrument; or
- the transaction is a package transaction which meets one of the following criteria:
 - o one or more of its components are transactions in financial instruments which do not have a liquid market;
 - o one or more of its components are transactions in financial instruments that are large in scale compared with the normal market size;
 - o the transaction is executed between an investment firm dealing on own account other than a matched principal basis and another counterparty, and one or more of its components are transactions in financial instruments that are above the size specific to the instrument .

Clients are therefore not required to publish information with respect to post-trade transparency unless they are also SIs.

Information relating to post-trade transparency is made public via an APA in accordance with Article D. 549-4 of the French Monetary and Financial Code and Article 27(8) of MiFIR.

² Articles 11(1), 11(3) and 21(4) of MiFIR.

APPENDIX: FINANCIAL INSTRUMENTS FOR WHICH CIC IS AN SI IN THE EU

| Legal entity | Asset class | Asset sub-class | Scope | MIC | APA used |
|---------------------------------|-------------|------------------------|--|------|--|
| Crédit Industriel et Commercial | Bond | Corporate bonds (CRPB) | <u>Issuers:</u> located in the European Economic Area | CMCI | Bloomberg Data Reporting Services B.V. www.bloombergapa.com |