

Systematic Internalisation Commercial Policy Global Markets (Cash Equities)

HSBC Bank Plc - HBEU
HSBC France SA - HBFR

© Copyright. HSBC Bank plc 2020 ALL RIGHTS RESERVED.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of HSBC Bank plc.

Systematic Internalisation

Introduction

Scope

This Guidance is applicable to Equities in respect of its activities as systematic internaliser (**SI**) for equity like financial instruments.

Equity like financial instruments

This term has the meaning given to it in MiFID II and refers to:

- shares
- depositary receipts
- Exchange Traded Funds (**ETFs**)
- certificates
- other similar financial instruments traded on a trading venue

In this Guidance, we refer to these financial instruments collectively as **Shares**.

Systematic Internalisation

Price quotes

- We publish continuous two-way firm price quotes for those Shares for which there is a liquid market as deemed by ESMA.
- Where there is not a liquid market, we disclose those price quotes to our clients upon request.

Publication

We publish our price quotes to BATS APA for HBEU / CBOE Europe N.V. APA for HBFR, where they will be visible to anyone with market data facilities to receive those data.

Timing

We publish our price quotes daily during the continuous order book phase of the primary exchanges normal market hours.

Availability

We make these price quotes available to our clients who are Eligible Counterparties or Professional Clients. The quotes are not available to Retail Clients.

Commitment

We are prepared to execute, at the quoted price at the time of reception of the order, with any client respectively of HBEU or HBFR and who contacts us for that purpose.

Restrictions

This commitment is subject to the following restrictions:

- Our commitment is to execute at our quoted price in a size up to 10 percent of Standard Market Size (**SMS**) for the Shares concerned.
- At our discretion, we may agree to execute larger orders up to SMS at our quoted price.
- Our commitment is to execute only once with the same client at the quoted price.
- At our discretion, we may decline to execute if we are subject to a regulatory, risk management or client restriction.
- If there are multiple client requests to execute against the same quoted price, we may decline to execute some later requests if execution would contravene our internal risk management procedures or considerably exceed what would be considered a normal volume.
- In line with our risk management policy, we would not honour quotes that have been generated as a manifest error, such as a technical disruption that results in incorrect price quotes being computed.

Exceptions

This commitment is subject to the following exceptions:

- We may execute orders we receive from our professional clients at prices different than our quoted ones without having to comply with this commitment, in respect of transactions where execution in several securities is part of one transaction or in respect of orders that are subject to conditions other than the current market price.

Exceptional market conditions

We may withdraw our price quotes under exceptional market conditions. We define the term **exceptional market conditions** to include, but not limited to, the following conditions:

- The trading venue where the Shares were first admitted to trading or the most relevant market in terms of liquidity halts trading for those Shares in accordance with Article 48(5) of the MiFID II directive.
- The trading venue where the Shares were first admitted to trading or the most relevant market in terms of liquidity allows market making obligations to be suspended.
- In the case of an ETF, a reliable market price is not available for a significant number of instruments underlying the ETF or the index.
- A competent authority prohibits short sales in the Shares under the EU Short Selling Regulation: and
- Any other circumstance which HSBC deems to be exceptional as per its risk management policy.