

BNP Paribas Securities (Asia) Limited Indications of Interest (“IOI”)

BNP PARIBAS SECURITIES (ASIA) LIMITED
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1. Introduction

Indications of Interest (“IOI”) is a common industry practice to express trading interests to source and unlock liquidity in the market. This document sets out the principles & mechanisms of BNP Paribas Securities (Asia) Limited (“BNPP SEC ASIA”, “us” or “we”) when advertising IOIs in order to protect the interest of clients.

This document (including its updated versions from time to time) is available at the following link: <https://cib.bnpparibas.com/secAsia>

2. Types of IOIs

Where applicable, BNPP SEC ASIA applies the general industry standards set out in the Asia Pacific IOI Charter and sends the following types of IOIs to its clients:

- 1) **Client Natural:** IOI derived from in-hand client orders on an agency basis, e.g. client orders and/or client-initiated swap hedges, in the systems or communicated electronically or verbally, and may or may not be working in the market. [AFME Code C:1 / C:2]
- 2) **Potential (Natural):** IOI derived from indicative client interest [AFME Code P:1]
- 3) **Principal Natural:** IOI derived from unwinding existing firm facilitation position (established as the result of prior facilitation and/or as the result of hedging strategy) or from wanted position i.e. there is no intent to unwind or replenish the position on the same day in the market unless there is a material change to market conditions [AFME Code H:1 / H:2]
- 4) **Non-Natural:** IOI derived from Facilitation desk interest to provide liquidity, i.e. which will trigger same day unwind in the market. [AFME Code H:3]

3. Principles and Mechanisms of IOI Generation and Dissemination

Process and controls are in place to ensure that IOIs are accurate and disseminated with the objective of ensuring that the interests of clients are protected.

Generation: IOIs may be auto-generated (“Auto-IOIs”) from eligible clients’ orders (i.e. above minimum notional or %ADV) or manually by Sales Trading for orders which may not match auto-IOI parameters.

Dissemination: IOIs may be sent to eligible clients through FIX messages (sent to client OMS / Bloomberg), or directly advertised to eligible clients through voice or direct messaging (“Chats”).

Tiering: Client Tiers are established to ensure IOIs are being disseminated to eligible clients with genuine interest in responding or trading larger size orders to reduce the likelihood of sensitive trade information being abused. Eligible clients are classified into two tiers according to a combination of factors e.g. scale, strategy and past willingness to trade blocks.



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Timing: Auto-IOIs may be first sent to Tier 1 clients, allowing a brief period to react to before being disseminated to the remaining eligible clients.

Refresh: Client natural IOIs are refreshed every 15 minutes based on the prevailing balance of the order.

Size: IOIs are capped with a maximum notional and % ADV. The maximum size shown to clients also depends on client tiering.

Opt-out: Clients can opt-out from IOIs dissemination, i.e. request to exclude their orders from being advertised to other clients. Such clients will also be blocked from receiving any IOIs.

For further information, please contact your BNPP SEC ASIA Sales representative.

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