



# **FX Global Code Disclosure Statement**

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The purpose of this communication is to clarify the nature of the trading relationship between you (“**client**”, “**customer**”, “**counterparty**”) and Standard Bank (Mauritius) Ltd (SBM) and to disclose relevant practices of SBM when acting as a dealer, on a principal basis, in the spot foreign exchange (“FX”) markets. This document sets out our standard business practices and terms and conditions of dealing with our FX customers and establishes the basis on which we can provide our customers with pricing and execution of their trade requests. It is intended to supplement any other disclosures made by SBM, including our FX terms and conditions, and by continuing to trade with SBM, you do so on the basis of the information described below as read with the relevant terms and conditions.

SBM is committed to maintaining the highest standards of honesty and integrity in all our dealings with you. We adhere to all rules and regulations applicable to our dealings, and where relevant and appropriate, international best practices.

## 1. Principal Trading

- 1.1 SBM acts in the capacity of principal for FX transactions putting its own capital at risk, in an arm’s-length role in relation to its customers, and does not act as agent, fiduciary or in any similar or advisory capacity for any FX transaction, except as expressly agreed in writing beforehand. SBM’s sales and trading personnel do not serve as brokers or agents to a counterparty. We expect that each customer (or its agents) will independently evaluate the appropriateness of any transaction based on that customer’s own facts and circumstances and an assessment of the merits of the transaction. SBM will be truthful in its statements about any facts, but these statements should not be construed as recommendations or advice.
- 1.2 When SBM is willing to work a counterparty’s “order” (as such term is used herein) at a price, SBM is indicating a willingness to attempt to enter into the trade at the price requested by the counterparty. Unless otherwise specifically agreed, SBM will exercise its reasonable discretion in deciding whether to work an order, which orders it would be willing to execute, when it would be willing to execute them, and how it would execute them, including whether to execute all or part of the order unless we have otherwise expressly agreed to different terms of execution. As such, SBM’s receipt of an order or any indication of working an order received from a counterparty does not create a contract between the counterparty and SBM that commits SBM to execute any or all of the order in any particular way. Orders may be executed electronically or manually.
- 1.3 As it relates to timing, SBM may look for market opportunities that satisfy both a price where we can execute a counterparty’s order at the counterparty’s price and earn a reasonable return for that activity, including while managing and prioritizing other interests, positions and executions for SBM and other counterparties.
- 1.4 SBM may seek to satisfy the requests of all of its counterparties and its independent risk management objectives, but it retains discretion with respect to how to satisfy its counterparties. SBM is not required to disclose to a counterparty when the counterparty attempts to leave an order that SBM is handling other counterparties’ orders or our own orders ahead of, or at the same time as, or on an aggregated basis with, the counterparty’s order. SBM is under no obligation to disclose to a counterparty why we are unable to execute the counterparty’s order in whole or in part, provided that we will be truthful if we agree to disclose such information.

## 2. Market Making

As a market maker that manages a portfolio of positions for multiple counterparties’ competing interests, as well our own interests, SBM acts as principal and may trade prior to or alongside a counterparty’s transaction to execute transactions for SBM or to facilitate executions with other counterparties, to manage risk, to source liquidity or for other reasons. These activities can have an impact on the prices we offer a counterparty on a transaction and the availability of liquidity at levels necessary to execute counterparty orders. These activities may also trigger stop losses or similar conditions.

### 3. FX Prices and Order Execution

- 3.1 SBM may receive multiple trade requests from different parties and retains discretion as to how to meet such requests, including with respect to timing, priority, pricing, aggregation and completeness of execution. SBM may need to hedge its exposure arising from the requested transactions which may impact prevailing pricing prior to execution of the customer's trade request. SBM may conduct risk management and market making activities for its own account while executing your order, or in anticipation thereof. At all times, these activities will be undertaken for risk management and execution optimization purposes only and will not be conducted with the intention of adversely affecting a client's potential or actual transaction (although this could be an unintended consequence). SBM will also use its judgement based upon available market and internal information, including, but not limited to, available price levels and actual liquidity available during circumstances such as a disruption event, to determine whether the parameters of a trade request have been satisfied and the extent to which the requested amount of a trade request can be satisfied under prevailing conditions to enable execution of a transaction in whole or in part.
- 3.2 A number of factors may be taken into account when pricing transactions. For example:
- The risk which we assume under the transaction. SBM assesses the level of risk based on a number of factors, including our risk appetite, business strategy, positions and risk management costs, and the characteristics of the specific transaction
  - Liquidity constraints in certain jurisdictions
  - Infrastructure and other operational costs
  - Counterparty, capital and funding related costs, such as the nature and credit risk of the client, and internal credit and/or funding charges
  - Fees and costs that arise during the execution and life of the transaction, such as clearing, settlement and other delivery costs, documentation and legal costs, and regulatory costs and taxes
  - Our relationship with the relevant client, and the strategic importance of that relationship, taking into account factors specific to that client; and/or
  - Any pre-agreed fee/spread charges (for example, some of our FX execution services entail a fee, which is agreed with the client in advance)
- 3.3 The relevant impact of each individual factor upon the price of a transaction will differ depending upon the prevailing market conditions and specific circumstances of that transaction. The way SBM prices transactions with clients may also differ depending on whether we are providing quotes and indicative prices or executing an order on behalf of a client. As a result, we may offer different prices to different clients for the same or substantially similar type of transaction based on the factors above.
- 3.4 Unless otherwise agreed, any firm or indicative price quoted to a counterparty is an "all-in" price, inclusive of any mark-up above the price at which SBM may be able to transact, or has transacted, with other counterparties. SBM's sales and trading personnel are not obligated to disclose the amount of revenue we expect to earn from a transaction, nor are they required to disclose the components of our all-in price. While we do not have any duties to disclose to a counterparty any mark-up included in the order price, we will be truthful with the counterparty if we make a disclosure about whether and how much mark-up is included in the price.

## 4. Communication Method

SBM provides its clients with the ability to execute foreign exchange transactions both telephonically and electronically. Where counterparties make use of electronic order execution channels to communicate their orders, they must understand and accept that these orders (if accepted) will only be actioned once the relevant communication has been read and acknowledged by an authorised representative of SBM. As there may be a time delay from the customer communication of a request or order until verified and acknowledged by SBM, the client is exposed to the risk that its order or request may not be filled, or only partially filled as a result of a change in market conditions.

## 5. Client Confidentiality

Protecting the confidentiality and security of counterparty information is an integral part of how SBM does business. We have policies and controls that are designed to protect a counterparty's confidential information. However, a counterparty should understand that SBM makes use of information provided to it as principal in order to manage its own business and risk manage transactions. Specifically, unless otherwise agreed, SBM may use the economic terms of a transaction (but not the counterparty identity) in order to source liquidity and/or execute risk-mitigating transactions. We may also share information about client activities amongst SBM sales and trading staff and may use that information on an aggregated and non-attributable basis to inform SBM's view of the market and related client-facing business. In addition, as part of its obligations as a regulated entity, SBM also shares counterparty information as required by its global regulators. SBM has robust policies and procedures in place to ensure that confidential information is protected and not disclosed or used improperly.

Should you have any questions after reading this disclosure or concerning SBM's dealings with you, please contact our **Global Markets Team**. We encourage you to regularly review the contents of this disclosure, as it may be updated from time to time, in order to address any regulatory changes or other developments.