

# BMO UK Systematic Internaliser Commercial Policy

## 1. Purpose of this document

This document sets out how Bank of Montreal, London Branch (“BMOLB”, “we”, “our”) operates as a Systematic Internaliser (“SI”) in the UK pursuant to the requirements of Regulation (EU) 600/2014, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018<sup>1</sup> (“UK MiFIR”).

The document outlines the instruments in which BMOLB will act as an SI, as well as when and where we will make quotes publicly available, and who will have access to those quotes.

## 2. Instruments in which we will be SI

BMOLB is an SI in the classes of FX derivatives, bonds, and interest rate derivatives listed in the Annex to this document, where such instruments are ‘traded on a trading venue’ in the UK (as defined in UK MiFIR and related regulations).

The classes of instruments in which BMOLB is an SI may change in conjunction with BMOLB exceeding thresholds set out in the relevant regulations, and / or pursuant to any decision by BMOLB to opt-in or opt-out for any given issuer, asset class, or sub-asset class.

BMOLB only acts in the capacity of an SI when dealing with clients of BMOLB, and not in relation to clients of other entities within the BMO Financial Group. Bank of Montreal is not an SI with respect to activities not conducted through BMOLB, its branch in the UK.

It should be noted that from 29 April 2024, the UK MiFIR post-trade transparency regime will no longer require an SI to report the trade details when conducting OTC transactions with a non-SI entity. Instead, entities that have registered with the FCA as a Designated Reporter (DR) will have the primary obligation to report. BMOLB has opted-in to be a DR under this new UK Designated Reporter regime.

## 3. Publication of Quotes

BMOLB will make quotes public in non-equity instruments when:

---

<sup>1</sup> As amended under UK law

- BMOLB is an SI in the relevant issuer, asset class, or sub-asset class;
- that instrument is considered to be 'traded on a trading venue' in the UK for regulatory reporting purposes;
- we are prompted for a quote and agrees to provide a quote;
- there is a liquid market in that instrument<sup>2</sup>; and
- the quote is in a size that is below the 'size specific to the instrument'<sup>2</sup>.

Quotes will be made available via Trax APA for US treasuries and Canadian Federal Government bonds, and via Bloomberg APA for all other bonds and interest rate derivatives.

BMOLB will publish quotes in normal London trading hours of 07:15 – 17:00 UK time.

#### 4. Who can access our quotes

BMOLB will provide its clients with access to quotes in accordance with the following non-discretionary criteria:

- The client must be on-boarded with BMOLB for the particular product in which they wish to access our quotes.
- A quote published represents an 'all-in' price that reflects the initial requesting client's risk profile, including credit status, counterparty risk, clearing status, capital costs, and settlement risk. The quote may be adjusted to reflect different characteristics of other clients who wish to trade against that same quote.
- Quotes will remain available for a timeframe that is reasonable for a client to execute on, with respect to the normal market practice in that particular instrument. BMOLB may update quotes at any time in line with changes in the price of the relevant instrument or its underlying, related market instruments or general market volatility.
- BMOLB may withdraw quotes in exceptional circumstances such as where there has been human or technical error in quote capture tools causing an incorrect quote to be published.

#### 5. Limits on our quotes

Quotes will be valid in a total amount up to the original quote size. This means that where the initial requesting client chooses to accept the quote in full, the quote may not be available to trade for other clients. However, when the requesting client does not trade on any, or just a

---

<sup>2</sup> As determined from time to time pursuant to the UK MiFID transparency calculations published by the FCA.

partial amount, of the initial quote size, the remaining amount will be available for other clients to trade on.

## 5. BMOLB SI Identifiers

Clients of BMOLB will be able to identify BMOLB SI quotes under the following details:

**MIC: BMLB**

**LEI: NQQ6HPCNCCU6TUTQYE16**

Clients should direct any queries relating to this document to their usual relationship contact at BMO LB.

## Annex - BMOLB Systematic Internaliser Instrument List (from April 2024)

Asset Class	Bond Types
Bonds	Sovereign Bonds
	Corporate Bonds
	Other Public Bonds
	Covered Bonds

Asset Class	Sub-Asset Class
Interest Rate Derivatives	Forward Rate Agreements
	Fixed-to-fixed single-currency swaps
	Fixed-to-float single-currency swaps
	Float-to-float single-currency swaps
	Overnight Index Swap (OIS) single-currency swaps
	Fixed-to-fixed multi-currency swaps
	Fixed-to-float multi-currency swaps
	Float-to-float multi-currency swaps
	Overnight Index Swap (OIS) multi-currency swaps
FX Derivatives	All