

BMO Systematic Internaliser Commercial Policy

1. Purpose of this document

This document outlines how Bank of Montreal, London Branch (“BMO”, “we”, “our”) will operate as a Systematic Internaliser (“SI”) in the EEA from 3 September 2018 when the mandatory SI regime comes into force.

This document will outline the instruments in which BMO will act as an SI, when and where we will make quotes publically available, and who will have access to those quotes.

2. Instruments in which we will be SI

BMO will become an SI in certain FX derivatives, bonds, and interest rate derivatives instruments that are Traded on a Trading Venue in the EEA as defined in the relevant regulations.

This document is not intended to specify the precise list of instruments in which BMO is an SI, which may change in conjunction with BMO exceeding thresholds set out in the relevant regulations or to our decision to opt-in for any given issuer or sub-asset class.

A precise list of the instruments in which BMO is currently an SI can be obtained via this link <https://www.bmocm.com/about-us/regulatory>

(Document name: BMO Systematic Internaliser Instrument List and MIC Details)

BMO SI is only offered by Bank of Montreal, London Branch to its clients and does not apply to clients of other BMO affiliates.

3. Publication of Quotes

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

- BMO is an SI in that issuer or sub-asset class;
- that instrument is considered to be ‘Traded on a Trading Venue’ in the EEA for regulatory reporting purposes;
- we are prompted for a quote and agree to provide a quote;
- there is a liquid market in that instrument; and
- the quote is in a size that is below the ‘Size Specific to the Instrument’ as specified in the relevant regulations.

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

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

4. Who can access our quotes

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

- The client must be on-boarded with Bank of Montreal, London Branch 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. BMO 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.
- BMO 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 partial amount, of the initial quote size, the remaining amount will be available for other clients to trade on.

6. BMO SI Identifier

Clients will be able to identify Bank of Montreal, London Branch SI quotes with the MIC of BMLB and the LEI NQQ6HPCNCCU6TUTQYE16