



*System Guidelines, Rules, and Trading Practices*

An aerial photograph of a dense forest of evergreen trees, viewed from a high angle. The trees are dark green and densely packed, creating a textured, almost abstract pattern of light and shadow. A vertical white line is positioned on the left side of the image, separating the forest from the text on the right.

The Future of  
Financial infra\_

*November 1, 2022*



## System Guidelines, Rules, and Trading Practices

These system guidelines, rules and trading practices (the “**Guidelines**”) as implemented by Cicada Securities, LLC (“**Cicada**”) for the operation of the Firm’s alternative trading system (the “**ATS**” or the “**Platform**”) that is registered with the Financial Industry Regulatory Authority (“**FINRA**”) and the U.S. Securities and Exchange Commission (“**SEC**”) provide information about the ATS of Cicada and are intended to cover trading functionality on the ATS. These Guidelines are available to Participants (as defined herein), and are supplemental to, and do not supersede, the applicable Subscriber Agreement or Sponsored Access Agreement (as defined herein) entered into by each Participant with Cicada. Each Participant's access to and use of the System shall be governed by the applicable Subscriber Agreement or Sponsored Access Agreement and these Guidelines. Unless stated expressly otherwise herein, the Subscriber Agreement (and Sponsored Access Agreement, if applicable) shall take precedence over any inconsistent terms in these Guidelines to the extent of any inconsistency. The Platform facilitates the secondary trading in certain securities admitted for trading in the ATS (collectively, the “**Securities**”). The Securities include securities that have not been registered under the Securities Act or under the Securities Exchange Act of 1934 (the “**Exchange Act**”), as well as securities that are registered with the SEC but not listed on a registered national securities exchange.

These Guidelines are for distribution to institutional and professional clients only (or their equivalent) and are not intended for retail customer use. Under no circumstances may these Guidelines be distributed to retail clients. If you are not the intended recipient of this document, please delete and destroy all copies immediately. This material is not a research report and it may not be reproduced or redistributed to any other person who is not an Authorized User of the ATS (as defined hereunder), and they may not be published, in whole or in part, for any purpose. At the request of Cicada, the recipient will promptly return all non-public material received from Cicada, including but not limited to these Guidelines, without retaining any copies physical or electronic thereof. By receiving these Guidelines, you become bound by the above-referred confidentiality obligation. Failure to comply with such confidentiality obligation may result in civil, administrative or criminal liabilities. The distribution of this material in other jurisdictions may also be restricted by law and persons into whose possession this material comes should inform themselves about and observe such restrictions.

These Guidelines, which may be considered advertising, are for information purposes only regarding the operation of Cicada ATS, and are not intended to provide legal, tax, accounting, investment, financial or other professional advice on any matter. These Guidelines do not constitute a recommendation or advice by Cicada of any kind. The use of Cicada’s products and services is subject to various regulations and regulatory oversight. You should discuss these Guidelines with appropriate advisors in the context of your circumstances before acting in any manner on this material or agreeing to use any of the referenced products or services and make your own independent assessment (based on such advice) as to whether the referenced products or services are appropriate or suitable for you. These Guidelines are valid as of the date hereof until modified in accordance herewith. These Guidelines may not be comprehensive or up to date and there is no undertaking as to the accuracy, timeliness, completeness or fitness for a particular purpose of information given. Cicada shall make available the most current version of these Guidelines upon request and any subsequent changes thereof shall be communicated in accordance therewith. No authority has approved or disapproved the information contained in this material, or the accuracy of the veracity of the information contained herein. By accepting to read these Guidelines, you agree to be bound by the foregoing limitations.



## Table of Contents

Definitions .....	5
<b>Chapter I. Eligibility and Admission.....</b>	<b>10</b>
<i>Guideline 101. Eligibility Criteria. ....</i>	<i>10</i>
<i>Guideline 102. Admission. ....</i>	<i>10</i>
<i>Guideline 103. Access. ....</i>	<i>11</i>
<i>Guideline 104. Third-Party Platforms. ....</i>	<i>12</i>
<i>Guideline 105. Authorized Users. ....</i>	<i>13</i>
<b>Chapter II. Fees.....</b>	<b>14</b>
<i>Guideline 201. Platform Fees.....</i>	<i>14</i>
<b>Chapter III. Suspension and Termination .....</b>	<b>14</b>
<i>Guideline 301. Suspension or Termination of a Participant. ....</i>	<i>14</i>
<i>Guideline 302. Prescriptive Period.....</i>	<i>15</i>
<b>Chapter IV. Participant Obligations .....</b>	<b>15</b>
<i>Guideline 401. Ongoing Obligations.....</i>	<i>15</i>
<i>Guideline 402. Contingent Obligations.....</i>	<i>15</i>
<i>Guideline 403. Sponsoring Subscriber Responsibilities. ....</i>	<i>16</i>
<b>Chapter V. Cicada Obligations .....</b>	<b>16</b>
<i>Guideline 501. Ongoing Obligations.....</i>	<i>16</i>
<b>Chapter VI. Trading Guidelines.....</b>	<b>16</b>
<i>Guideline 601. Trading Guidelines and Trading Days.....</i>	<i>16</i>
<i>Guideline 602. Securities Eligible for Trading. ....</i>	<i>17</i>
<i>Guideline 603. Minimum Price Variation.....</i>	<i>17</i>
<i>Guideline 604. Accurate Information and Communications.....</i>	<i>18</i>
<i>Guideline 605. Submission of Orders into the COB.....</i>	<i>18</i>
<i>Guideline 606. Stream Feature.....</i>	<i>19</i>
<i>Guideline 607. Opening Market Price and Closing Price. ....</i>	<i>20</i>
<i>Guideline 608. Priority of COB Orders. ....</i>	<i>20</i>
<i>Guideline 609. COB Order Execution. ....</i>	<i>21</i>
<i>Guideline 610. Submission of Request for Quotes.....</i>	<i>22</i>
<i>Guideline 611. Submission of a Response to an RFQ.....</i>	<i>23</i>
<i>Guideline 612. Ranking of Request for Quote Responses.....</i>	<i>23</i>



<i>Guideline 613. Request for Quote Execution</i> .....	23
<i>Guideline 614. Rule 15c2-11</i> .....	24
<b>Chapter VII. Post-Trade Confirmations and Reporting, Clearing and Settlement</b> .....	<b>24</b>
<i>Guideline 701. Confirmation Messages</i> .....	25
<i>Guideline 702. Adequate Arrangements</i> .....	25
<i>Guideline 703. Riskless Principal Transactions</i> .....	25
<i>Guideline 704. Suitability</i> .....	25
<i>Guideline 705. Transaction Liability and Confidentiality</i> .....	25
<i>Guideline 706. Transaction Fails or Insolvency Events</i> .....	26
<i>Guideline 707. Cicada Obligations</i> .....	26
<i>Guideline 708. Participants' Tax Liabilities</i> .....	26
<i>Guideline 709. Excess Fees</i> .....	26
<i>Guideline 710. Transaction Reporting</i> .....	26
<b>Chapter VIII. Fat Finger Policy and Clearly Erroneous Execution Policy</b> .....	<b>27</b>
<i>Guideline 801. Clearly Erroneous Execution Policy</i> .....	27
<i>Guideline 802. Fat Finger Warnings and Fat Finger Hard Limit</i> .....	31
<i>Guideline 803. Trading Volume Thresholds</i> .....	32
<b>Chapter IX. Trading Practice and Market Conduct Guidelines</b> .....	<b>33</b>
<i>Guideline 901. Market Manipulation</i> .....	33
<i>Guideline 902. Excessive Sales</i> .....	34
<i>Guideline 903. Trading Ahead of Orders, RFQs or Responses</i> .....	34
<i>Guideline 904. Best Execution</i> .....	34
<i>Guideline 905. Monitoring and Voiding of Manipulative Transactions</i> .....	34
<b>Chapter X. Amendments</b> .....	<b>35</b>
<i>Guideline 1001. Amendments to these Guidelines</i> .....	35
<b>Chapter XI. Internal Crossing</b> .....	<b>35</b>
<i>Guideline 1101. Compliance</i> .....	35
<i>Guideline 1102. Alerts</i> .....	35
<i>Guideline 1103. Internal Crossing Execution, Clearing and Settlement</i> .....	35
<b>Chapter XII. General</b> .....	<b>36</b>
<i>Guideline 1201. Confidentiality</i> .....	36
<i>Guideline 1202. Business Continuity Plan Disclosure Statement</i> .....	36
<i>Guideline 1203. Governing Law</i> ; .....	37





## Definitions

For all purposes of these Guidelines, and unless specifically provided or defined herein or the context otherwise requires, the capitalized terms in these Guidelines shall have the meanings specified hereunder.

- (1). **Active.** An Order, RFQ or RFQ Response in an Active state means that such Order, RFQ or RFQ Response is eligible for Execution, and has not been: (i) Executed, in the case of RFQs and RFQ Responses, or subject to a Complete Execution in the case of Orders; (ii) cancelled; or (iii) Expired;
- (2). **Applicable Law.** All applicable laws, regulations, regulatory requirements (including any guidance, orders or other directions of a regulatory authority), market rules and / or market conventions; any laws, all judgements, orders, instructions or awards of any court or competent authority and applicable to: (a) Cicada; or (b) a Participant (or Principal); as the case may be and, in each case, having regard to the context;
- (3). **Applicant.** Any entity that wishes to become a Participant of the ATS, including any Sponsored Participants in accordance with Guideline 101 and 102;
- (4). **Arbitration Policy.** Refers to Cicada's Arbitration Policy, as modified and amended from time to time;
- (5). **ATS Official.** Officer of the ATS or such other employee designee of the ATS, as determined by Cicada from time to time, reviewing Orders, RFQs, RFQ Responses and Transactions arising therefrom with respect to the Clearly Erroneous Execution Policy;
- (6). **Authorized User.** Users authorized by, and acting on behalf of, a Participant, in accordance with Guideline 103 and 105;
- (7). **Back-End Systems.** Means a dedicated computer system that is used to conduct and manage the Platform. It includes servers and databases.
- (8). **Broker-Dealer.** Means a person generally defined in Sections 3(a)(4)(B) and 3(a)(5)(C) of the Exchange Act, who is registered with the SEC and member of a self-regulatory organization in the United States;
- (9). **Central Limit Order Book ("COB").** Centralized database of buy and sell Limit Orders;
- (10). **Chapter.** Refers to the chapters of these Guidelines;
- (11). **Clearly Erroneous.** An Order, RFQ, RFQ Response or any Transaction resulting therefrom that has been declared Clearly Erroneous pursuant to Cicada's Clearly Erroneous Execution Policy in accordance with these Guidelines;
- (12). **Clearly Erroneous Execution Policy.** Means Cicada's Clearly Erroneous Execution Policy as set forth in Guideline 801;
- (13). **COB Order Matching Algorithm.** Automatic Execution in a price/time priority basis across the COB: Orders are first ranked according to their price; Orders of the same price are then ranked in a first-in-first-out basis, in accordance with Guideline [508], and Executed in accordance with Guideline [509];
- (14). **Confidential Information.** Information about the disclosing party's business activities that is proprietary and confidential, which shall include all business, financial, technical and other information of a party marked or designated by such party as "confidential" or



- “proprietary,” or information which, by the nature of the circumstances surrounding the disclosure, out in good faith to be treated as confidential;
- (15). **Complete Execution.** Any Order, RFQ or Response that has been Executed for an amount equal to its original Size, which can result in a single or multiple Transactions;
  - (16). **Direction.** The direction of an Order, RFQ, Response, Transaction or Riskless Principal Transaction, which can be: (i) buy; (ii) sell, or (iii) market (i.e., both buy and sell); as the case may be, and in all cases, in regard to the context;
  - (17). **Executed.** Where at least one binding Transaction has resulted from the Execution of an Order, RFQ or RFQ Response;
  - (18). **Execution.** A process whereby: (i) an Order is matched by the Order Matching Algorithm during a Trading Session and results in at least one binding Transaction and; (ii) an RFQ or RFQ Response is allocated by the Requestor and results in at least one binding Transaction;
  - (19). **Expiration.** The moment at which an Order or RFQ is Expired;
  - (20). **Expired.** An Order or RFQ has Expired when the TIF instruction of such Order or RFQ has come to an end;
  - (21). **Face Value.** A value set by the issuer of a Security or the minimum increments an investor may purchase in a Security; as the case may be;
  - (22). **Fat Finger Hard Limit.** Price limit where the Platform shall deem an Order or RFQ Response Clearly Erroneous and enforce the Rejection of such Order or RFQ Response in accordance with Guidelines 801 and 802;
  - (23). **Fat Finger Warning.** Price limit where the Platform presents a warning message to the Submitter in accordance with Guideline 802;
  - (24). **Closing Price.** Closing Price as defined in Guideline 607;
  - (25). **FX Quotation.** The quoted exchange rate of the Settlement Currency versus the currency of denomination of the Security of a given Transaction negotiated through the RFQ protocol, as is customary;
  - (26). **Guidelines.** Refers to this document and the Guidelines set out herein, as amended or replaced from time to time by Cicada including any Appendices;
  - (27). **Immediate or Cancel Order.** A Limit Order that is cancelled immediately after Execution, which can result in a Complete Execution, a Partial Execution or no Execution;
  - (28). **Insolvency Event.** Any of the following circumstances with respect to a Participant:
    - (i). *the Participant is declared insolvent or is unable, by admission or determination, to pay its debts as they come due or suspends making payments on any of its debts;*
    - (ii). *any step, application or proceeding has been taken by or against the Participant or in respect of the whole or any part of its undertaking, for a voluntary arrangement or composition or reconstruction or rescheduling of its debts, winding up, bankruptcy, dissolution, administration, receivership or otherwise, or any similar proceeding in any jurisdiction;*
    - (iii). *the appointment of a liquidator, trustee, receiver, administrative receiver or similar officer;*
    - (iv). *a voluntary or involuntary petition for a bankruptcy order; or*
    - (v). *any similar action, application or proceeding in any jurisdiction under Applicable Law to which it is subject;*



- (29). **Institution Type.** The classification where Participants may be Institutional Investors or Dealers
- (30). **Instruction.** Any electronic Order, RFQ, RFQ Response, or any instruction or communication that may alter existing Orders, RFQs, or RFQ Responses from a Participant to the ATS;
- (31). **Internal Cross Transaction.** Any Transaction resulting from Internal Crossing;
- (32). **Internal Crossing.** The simultaneous purchase and sale, on the ATS, of a Security, by Cicada, acting as a riskless principal counterparty, to a single Participant acting on behalf of its Principals, where both buy and sell Transactions are executed at the same price (save for any fees imposed by Cicada or its affiliates by adjusting the price of the Security in the amount of the applicable fee defined by Cicada and modified from time to time);
- (33). **Limit Order.** Any Order to buy or sell securities in the COB at a limit Price and Size, in accordance with Guideline 605;
- (34). **Market Abuse.** Any behavior that constitutes market abuse, market manipulation or insider trading, or any other similar or analogous behavior prohibited or subject to sanctions or penalties under the Applicable Law;
- (35). **Market Close.** End of a Regular Trading Session;
- (36). **Market Open.** Beginning of a Regular Trading Session;
- (37). **Matched-Principal Transaction or Riskless Principal Transaction.** A Transaction in which Cicada (or a Sponsoring Subscriber) acts as the riskless principal counterparty to both sides of the Transaction;
- (38). **Multi-Day Event.** As defined in Guideline 801;
- (39). **Numerical Thresholds.** The numerical thresholds as modified from time to time by Cicada for determining Fat Finger Warnings and Fat Finger Hard Stops in accordance with Guideline 802;
- (40). **Open Risk Position.** The amount of liabilities (either Executed or potentially subject to Execution) that a Participant may hold against its counterparties (including Cicada in the case of Riskless Principal Transactions), that are subject to counterparty or settlement risk.
- (41). **Opening Market Price.** The first Reference Price of the Trading Session calculated by the platform in accordance with Guideline 607;
- (42). **Order.** Any instruction to buy or sell securities in the COB;
- (43). **Partial Execution.** Where any Order, RFQ or RFQ Response has been Executed for an amount lower than its original Size, and can result in at least one subsequent Transactions;
- (44). **Participant.** Any Applicant that has been admitted to the ATS pursuant to Guideline 102;
- (45). **Price.** The price of a Security which may be quoted on a spread, yield, or percent of par basis, in a case-by-case basis as is customary, and in all cases, in respect to the context;
- (46). **Principal.** An underlying entity, or client of a Participant, on behalf of whom a Participant executes Transactions (whether disclosed and/or identified to Cicada or not);
- (47). **Privacy Policy.** Refers to Cicada's Privacy Policy, as modified and amended from time to time by Cicada;
- (48). **Regular Trading Session.** A Trading Session that begins with the Market Open and ends immediately before the Market Close and is unaffected by a Market Halt or Trading Suspension;



- (49). **Rejected.** Any Order that based on market conditions, Participant Instructions or applicable Guidelines, is not executable or cannot be posted to the COB;
- (50). **Relevant Regulator.** Any regulatory authority that has jurisdiction over: (a) Cicada, or any other companies in Cicada's corporate group, or (b) a Participant (or Principal); as the case may be and, in each case, having regard to the context;
- (51). **Request for Quote ("RFQ").** Process whereby an Authorized User solicits bid and/or offer quotes from one or multiple Participants for a given Security, in accordance with Guideline 610;
- (52). **Requestor.** An Authorized User issuing a Request for Quote on behalf of a Participant;
- (53). **Responder.** An Authorized User providing a quote, on behalf of a Participant, to a Request for Quote issued by another Participant;
- (54). **Response or RFQ Response.** Any quote provided by an Authorized User, on behalf of a Participant, to a Request for Quote issued by another Participant;
- (55). **Riskless Principal Transactions.** Means Transactions where Cicada may act as the trading counterparty on a riskless principal basis between the Participants who are Subscribers, in accordance with the parameters of the Transaction agreed to by the Participants who are parties to a Transaction, thereby preserving their anonymity.
- (56). **Risk Profile Guidelines.** The risk profile guidelines as modified from time to time by Cicada for determining Trading Volume Hard Stops in accordance with Guideline 803;
- (57). **Risk Profile.** The risk profile assigned by Cicada in its absolute discretion to each of the Participants in the ATS;
- (58). **Securities.** A Security that has been admitted for trading in the ATS pursuant to Guideline 602;
- (59). **Settlement Currency.** The currency that has been agreed upon by two Participants to settle a given Transaction, generally negotiated through the RFQ Protocol;
- (60). **Size.** An Instruction attached to an Order, RFQ or Response specifying the amount subject thereto which can be generally entered in nominal value in Face Value increments or as a number of Securities;
- (61). **Sponsored Access Agreement.** The Sponsored Access Agreement between Cicada, the Sponsoring Subscriber and the Sponsored Participant.
- (62). **Sponsored Participant.** A Participant that has been authorized access to the Platform by at least one Sponsoring Subscriber (in accordance with Guideline 103);
- (63). **Sponsoring Subscriber.** A Participant that authorizes other third-party Participants to have access to the Platform under sponsored access (in accordance with Guideline 103);
- (64). **Stream.** A feature that allows the continuous streaming of live Limit Orders in the COB;
- (65). **Submitter.** An Authorized User that uses the Platform to issue buy or sell instructions to trade Securities on behalf of another Participant;
- (66). **Subscriber.** A Participant who has been granted access to the Platform by Cicada directly and not by virtue of its relationship with a Sponsoring Subscriber.
- (67). **Subscriber Agreement.** The Subscriber Agreement between Cicada and a Subscriber or a Sponsoring Subscriber, as the case may be, and in all cases in regard to the context;
- (68). **Subscriber Class.** The classification where Participants may be broker-dealers, order-routing broker-dealers, or banks (collectively, the "**Sell-Side**" or "**Dealers**"); or mutual funds,





- private banks, pension funds, hedge funds, family offices, insurance companies, or corporates (collectively, the "**Buy-Side**" or "**Institutional Investors**");
- (69). **Suitability Thresholds.** The Fat Finger Hard Limit and Trading Volume Hard Limit in accordance with Guidelines 802 and 803, respectively;
  - (70). **Terms of Use.** Refers to the Terms of Use of the ATS, as modified and amended from time to time by Cicada;
  - (71). **Third-Party Service Provider.** Any third-party providing services to a Sponsoring Subscriber;
  - (72). **Time Units.** Integers that express seconds, minutes, hours or days; subject to the restrictions under these Guidelines;
  - (73). **Time-in-Force ("TIF").** An instruction that a Participant may attach to an Order or RFQ stating that such Order or RFQ, if not deemed Immediate or Cancel, executed or cancelled, will expire at the end of the number of Time Units inputted;
  - (74). **Trading Halt.** When a Regular Trading Session is ended before the Market Close and trading is not resumed until the subsequent Regular Trading Session;
  - (75). **Trading Protocol.** A set of rules governing the exchange or negotiation of Securities, agreed upon by Participants, which is limited to the COB and RFQ.
  - (76). **Trading Restrictions.** Any secondary trading restriction imposed by a Relevant Regulator in respect to any of the Securities;
  - (77). **Trading Session.** Any period of time where trading is open in the COB;
  - (78). **Trading Suspension.** A defined period of time when a Trading Session is closed and resumed before the Market Close;
  - (79). **Trading Volume Hard Limit.** Limit at which the Platform deems an Order, RFQ or RFQ Response Clearly Erroneous and enforces the Rejection of such Order, RFQ or RFQ Response. The limit is deemed to be exceeded when the Size of such Order, RFQ or RFQ Response, added to the then-prevailing Open Risk Position in respect to the Participant submitting such Order, RFQ or RFQ Response equals or exceeds the Maximum Allowed Open Risk Position, as modified by Cicada from time to time;
  - (80). **Transaction Fail.** A failure by any Participant to settle any Transaction by delivering the traded Securities or cash on the defined Settlement Date and in accordance with Applicable Law, these Guidelines and standard market settlement practices;
  - (81). **Transaction.** An Order or RFQ, or a portion of an Order or RFQ, executed by the platform at a given price to a single counterparty. The Complete or Partial Execution of a single Order, RFQ or Response results in at least one Transaction;
  - (82). **Units of Trading.** One unit of a debt instrument equals its Face Value, as the case may be for each fixed-income security;
  - (83). **User ID.** The identification and password combination that are given to each Authorized User.



## Chapter I. Eligibility and Admission

### **Guideline 101.** Eligibility Criteria.

(a). *Eligibility Criteria.* Cicada will only consider an Applicant for admission as an accepted Participant of the Platform, if it conducts business from a jurisdiction where Cicada is permitted to conduct ATS business, or within a jurisdiction that does not prohibit the provision of ATS services that are provided by Cicada. All Applicants must be broker-dealers or otherwise meet all of the following criteria (together, the “**Participant Eligibility Criteria**”):

- (i). *It has been authorized to conduct business by a Relevant Regulator in its jurisdiction of incorporation or is otherwise licensed or permitted by a Relevant Regulator to participate in the Platform, or, in the absence of any requirement for authorization, licensing or permission, it can demonstrate to the satisfaction of Cicada that it is in good standing in its relevant jurisdiction;*
- (ii). *It is, in its jurisdiction of incorporation, a bank, savings and loan association, insurance company, registered investment company, registered investment adviser or otherwise any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least \$50 million;*
- (iii). *It has reasonably demonstrated, to the satisfaction of Cicada, that is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies involving a security or securities;*
- (iv). *It has affirmatively indicated that it is exercising independent judgement;*
- (v). *It carries on a business of dealing in the Securities or can otherwise demonstrate to the satisfaction of Cicada that it has sufficient level of trading ability, competence and experience, and that it has adequate organizational arrangements and sufficient financial resources to perform its intended role on the Platform; and*
- (vi). *It meets any other eligibility criteria in relation to participation on an ATS under Applicable Laws.*

### **Guideline 102.** Admission.

(a). *Admission Criteria.* Applicants interested in becoming Participants of the Platform must satisfy the criteria set forth below (the “**Applicant Admission Criteria**”):

- (i). *satisfy the Participant Eligibility Criteria, including providing any additional information required to satisfy the Eligibility Criteria;*
- (ii). *Have passed any required relevant KYC, sanctions and anti-money laundering checks (including providing any additional information required by Cicada to satisfying those checks);*
- (iii). *Have acknowledged that it has read, understood, and agreed to be bound by these Guidelines;*
- (iv). *have been approved by Cicada (and Cicada approved by Participant who is a Subscriber) as a counterparty after passing all required credit checks and any other eligibility checks Cicada may reasonably require;*
- (v). *have accepted the Cicada Terms of Use, Privacy Policy, and Arbitration Policy, and have executed the Subscriber Agreement (or Sponsored Access Agreement, if applicable); and*



(vi). *satisfy any other approval which may be deemed necessary by Cicada as a prerequisite for entering into Transactions in the Platform.*

**(b). Admission Rejection.** Cicada may reject an applicant if it does not meet the Admission Criteria or if Cicada considers, in its sole discretion, that accepting the applicant as a Participant would be inconsistent with the obligation of Cicada to maintain a fair and orderly market.

**Guideline 103.**      Access.

**(a). General.** The ATS shall be available to Participants for entering into Transactions resulting from the entry and Execution of Orders, RFQs and RFQ Responses by Authorized Users acting on behalf of Participants with authorized access.

**(b). Fair Access.** Cicada will review the application of an Applicant to the Platform in a fair and non-discriminatory manner to determine if the Admission Criteria are met.

**(c). Sponsored Participants.** A Sponsored Participant may obtain authorized access to the Platform only if such access is authorized in advance by one or more Sponsoring Subscribers as follows:

(1). Sponsored Participants must enter into and maintain customer agreements with one or more Sponsoring Subscribers establishing proper relationship(s) and account(s) through which the Sponsored Participant may trade on the Platform. Such customer agreement(s) must incorporate the Sponsorship Provisions as set forth hereunder.

(2). For a Sponsored Participant to obtain and maintain authorized access to the Platform, a Sponsored Participant and its Sponsoring Subscriber must agree in writing to the following provisions (the “**Sponsorship Provisions**”):

(i). *Sponsored User and its Sponsoring shall have entered into and maintained a Subscriber Agreement with the ATS;*

(ii). *Sponsoring User and its Sponsor shall be mutually approved to act as trading counterparties, and shall effect Transactions by virtue of delivery versus payment agreements or other customary agreement in accordance with best practices, these Guidelines and applicable law;*

(iii). *Sponsor acknowledges and agrees that all Orders, RFQs and RFQ Responses entered by the Sponsored Users and any person acting on behalf of or in the name of such Sponsored User and the resulting Transactions occurring as a result of the Execution of such Orders, RFQs and RFQ Responses are binding in all respects for the Sponsor;*

(iv). *Sponsor acknowledges and agrees that Sponsor is responsible for any and all actions taken by such Sponsored User and any person acting on behalf of or in the name of such Sponsored User;*

(v). *Sponsor shall comply with the ATS Guidelines and procedures, and Sponsored User shall comply with the ATS Guidelines and procedures as any Participant;*

(vi). *Sponsored User shall maintain, keep current and provide to the Sponsor, and to the ATS, a list of Authorized Users who may obtain access to the Platform on behalf of the Sponsored User;*

(vii). *Sponsored User shall familiarize its Authorized Users with all the Sponsored User’s obligations under the ATS Guidelines and will assure that they receive appropriate training prior to any use or access to the Platform;*



- (viii). *Sponsored User may not permit anyone other than Authorized Users to access the Platform;*
  - (ix). *Sponsored User shall take reasonable security precautions to prevent unauthorized use or access to the Platform, including unauthorized entry of information into the Platform, or the information and data made available therein. Sponsored User understands and agrees that Sponsored User is responsible for any and all Orders, RFQs, RFQ Responses, Transactions and other messages and Instructions entered, transmitted or received under identifiers, passwords and security codes of Authorized Users, and for the trading and other consequences thereof;*
  - (x). *Sponsored User shall acknowledge its responsibility to establish adequate procedures and controls to effectively monitor its employees', agents' and customers' use and access to the Platform for compliance with the terms of this agreement; and*
  - (xi). *Sponsored User shall pay when due all amounts, if any, payable to Sponsor, the ATS or any other third parties involved in activities from the Sponsored User's access to and use of the Platform. Such amounts include but are not limited to applicable exchange and regulatory fees.*
- (d). Permitted Participants.** Generally, all Platform features will be available to all Participants, however, certain order functions will only be available to the Sell-Side only, or otherwise to any other Participant that can prove, to the satisfaction of Cicada, that it deals in the securities available on the Platform in an amount equal to or greater than a threshold determined by Cicada as may be modified from time to time, which shall be disclosed to all Subscribers. The order entry functions may include the following:
- (i). *Stream Function. A feature that allows the continuous streaming of live limit orders in the central limit orderbook.*
  - (ii). *Unlimited Open Risk Position.*
  - (iii). *Other Functions. Any other feature as indicated by Cicada from time to time and disclosed to all Participants.*

**Guideline 104.**      *Third-Party Platforms.*

- (a).**      *General.* Subject to the foregoing, a Participant may engage in Transactions through the Platform by entering orders via one or more third party vendor platforms ("**Third-Party Platform**"), which includes third party order management system providers.
- (b).** *Minimum Standards.* Participants must, at their own cost and expense, provide all equipment, operating platforms and software to use the Third-Party Platform, which shall meet any minimum standards and requirements for such equipment, operating platforms and software as may be specified by Cicada from time to time. Cicada will have no liability for any such equipment or connections, nor any liability for any damage thereto.
- (c).** *Risk of Third-Party Platforms.* Participants accept the risk of using the Third-Party Platform. Cicada gives no assurance that the Third-Party Platform will be error free or operate properly in conjunction with the Platform. Participants will be solely responsible for any losses, damages or costs that Participants may incur as a result of accessing the Platform via the Third-Party Platform.



- (d). Security.** Participants are responsible for ensuring the Platform's security in connection with its use of the Third-Party Platform.
- (e). Accuracy of Information.** Cicada has no responsibility for transmissions, instructions or orders that are inaccurate, altered by the Third-Party Platform or not received by Cicada via the Third-Party Platform, and may execute any Transaction on the terms actually received by Cicada. A Participant's obligations and responsibilities associated with executed orders shall be binding even if such orders were submitted in error or are claimed by the Participant to have been unauthorized, unsuitable or inaccurate. Accordingly, each Participant must honor in full all obligations and responsibilities relating to Transactions executed by the System via a Third-Party Platform.
- (f). Termination of Access by Cicada.** Cicada may restrict, suspend or terminate a Participant's access to and use of the Platform via the Third-Party Platform at any time, without notice or liability.
- (g). Notifications to Cicada.** Participants must abide by the terms and conditions of their agreements with a Third-Party Vendor and must immediately inform Cicada if made aware of any security breach, malfunction or other material issue regarding the Third-Party Platform.

**Guideline 105.**      Authorized Users.

- (a). List of Authorized Users.** A Participant (or its Sponsoring Subscriber, if applicable) shall maintain a list of Authorized Users who may obtain access to the Platform on behalf of the Participant on their Platform account. Participants must update their lists to reflect its current Authorized Users on a timely basis, and Cicada shall approve any new Authorized Users.
- (b). Adequate Training.** All Participants shall ensure that all its Authorized Users, traders, decision makers and staff involved in the conducting business within the Platform are fit and proper, suitable, appropriately and adequately trained or qualified, and appropriately supervised.
- (c). Confidentiality of Credentials.** A Participant shall ensure that the User ID given to each Authorized User by Cicada is kept confidential to such individual and is not disclosed to any other person. Participants must promptly inform Cicada if any of the Participant's User IDs are lost, stolen, or compromised.
- (d). Proper Supervision.** A Participant must ensure that it has established appropriate organizational procedures and has systems and controls in place to supervise its Authorized Users.
- (e). Compliance with Cicada Policies and Procedures.** A Participant must have reasonable procedures to ensure that all Authorized Users comply with Cicada policies and procedures related to the Platform, including these Guidelines.
- (f). Authorized User Suspension or Termination by Cicada.** Cicada may suspend or terminate an Authorized User's right to access and/or use the Platform if it determines, at its sole discretion, that such Authorized User has failed to comply with these Guidelines.
- (g). Authorized User Suspension or Withdrawal by Participant.** A Participant shall suspend or terminate an Authorized User's right (including Authorized Users associated with Sponsored





Participants) to access and/or use the Platform if it determines that such Authorized User has failed to comply with these Guidelines.

- (h). *Prevention of Improper Access.* A Participant must have reasonable procedures to ensure that Authorized Users maintain the physical security of the equipment used to access the facilities of the ATS to prevent the improper use or access to the Platform, including unauthorized entry of information into the Platform, and prevent entry of orders that exceed any internal risk-based limits.

## Chapter II. Fees

### **Guideline 201.** *Platform Fees.*

- (a). *Quote Adjustment by Cicada.* Cicada will adjust quotes displayed to a Participant in the amount of the applicable Transaction fee payable to Cicada.
- (b). *Service Fees.* A Participant shall be subject to fees as set forth in the Participant's Subscriber Agreement (or, if applicable the Sponsored Access Agreement), which may be amended from time to time;
- (c). *Fee Determination by Cicada.* If a Participant utilizes a Platform functionality which is not described or contemplated in the Participant's Subscriber Agreement, the Participant shall pay such fees as determined by Cicada and noticed from time to time.

## Chapter III. Suspension and Termination

### **Guideline 301.** *Suspension or Termination of a Participant.*

- (a). *General.* Cicada may suspend or terminate a Participant's right to access and/or use the Platform if:
  - (i). *Cicada, in its own discretion, no longer wishes to extend credit to Participant (for the purpose of this Guideline, "credit" means the ability of a Participant to Execute Transactions before the settlement thereof between Participant and Cicada);*
  - (ii). *the Participant refuses to follow Cicada's instructions or rulings in accordance with the Clearly Erroneous Policy;*
  - (iii). *the Participant requests the termination of its Platform access;*
  - (iv). *the Participant's Subscriber Agreement (and/or if applicable, the Sponsored Access Agreement) is terminated in accordance with its terms;*
  - (v). *the Participant does not trade on the Platform for an extended period of time, at Cicada's sole discretion;*
  - (vi). *Cicada becomes aware that the Participant has made a misrepresentation to Cicada or another Participant or has otherwise breached Applicable Law in any material respect;*
  - (vii). *Cicada becomes aware that an Insolvency Event has occurred in relation to the Participant;*
  - (viii). *Cicada deems it necessary in its sole discretion to ensure a fair and orderly market on the Platform and to uphold the integrity of the Platform or to comply with Applicable Law, or if so required by a Relevant Regulator; or*

- (ix). *Cicada becomes aware that the Participant fails consistently and systematically to deliver transferable securities or cash on the intended settlement date in accordance with best practices, these Guidelines, and Applicable Law.*

**Guideline 302.**      Prescriptive Period.

- (a). *General.* A participant whose right to use the Platform has been suspended or terminated by Cicada shall remain subject to these Guidelines:
- (i). *in respect of any outstanding obligations under these Guidelines, including any such obligations arising from Transactions, until such obligations are satisfied;*
  - (ii). *in respect of acts and omissions while it was a Participant and shall comply with any request for information in relation to the period of its participation, which Cicada may make at any time following the termination or suspension of its participation; and*
  - (iii). *In respect of any other matter set forth in the Subscriber Agreement.*

## Chapter IV. Participant Obligations

**Guideline 401.**      Ongoing Obligations.

- (a). *General.* Each Participant shall, on an ongoing basis:
- (i). *meet the Admission Criteria;*
  - (ii). *ensure that they comply at all times with the requirements of these Guidelines, the Subscriber Agreement and any notices;*
  - (iii). *co-operate with Cicada and any Relevant Regulator in relation to any query or investigation regarding the Platform, directly or indirectly;*
  - (iv). *be responsible for the information that it submits to the Platform for the purpose of complying with these Guidelines;*
  - (v). *ensure that its systems are compatible with the Platform;*
  - (vi). *have appropriate internal systems and controls to ensure that it trades in an orderly manner, to prevent erroneous Transactions and to ensure ongoing compliance with, and prevent breaches of, Applicable Law (including but not limited to laws prohibiting Market Abuse) and these Guidelines;*
  - (vii). *have in place appropriate arrangements to ensure the timely clearing and settlement of Transactions and in accordance with Chapter VII of these Guidelines;*
  - (viii). *have the legal and regulatory capacity to transact in, clear (when applicable) and settle the Securities it trades on the Platform; and*
  - (ix). *procure that any Sponsored Participant or Third-Party Service Provider shall operate in compliance with these Guidelines.*

**Guideline 402.**      Contingent Obligations.

- (a). *Prompt Notifications.* A Participant must notify Cicada promptly upon becoming aware of any of the following:
- (i). *if the information it has provided to Cicada on the on-boarding documentation ceases to be relevant, accurate or correct, or it does not meet the Admission Criteria, or if applicable, if it ceases to be regulated under any Applicable Law;*



- (ii). *a failure by the Participant or any other Participant to settle any Transaction in accordance with Applicable Law and/or good settlement practice (in accordance with the obligation to notify in Guideline 702);*
  - (iii). *any breach of these Guidelines or any event, act or omission which may affect the ability of the Participant to comply with these Guidelines or which may impair a fair and orderly market on the Platform;*
  - (iv). *any litigation or enforcement action which could impair the ability of the Participant to comply with these Guidelines (where such disclosure is permitted by Applicable Law or any Relevant Regulator);*
  - (v). *an Insolvency Event with respect to the Participant;*
  - (vi). *any of the Participant's User IDs are lost, stolen, or compromised; and*
  - (vii). *any other material event or matter of which Cicada might reasonably expect to be made aware.*
- (b).** *Acceptance of Notices.* Participation on the Platform at any time after the publication of a Notice, constitutes deemed acknowledgement and acceptance by a Participant of such.

**Guideline 403.**      *Sponsoring Subscriber Responsibilities.*

**(a).**      *Liability of Sponsoring Subscribers.* A Sponsoring Subscriber shall be fully liable for any acts and omissions of its Sponsored Participants and any Third-Party Service Providers, including unfulfilled obligations arising from Transactions. Cicada shall not be liable for any losses that a Sponsoring Subscriber may suffer as a result of the acts or omissions of any Sponsored Participants or Third-Party Service Providers.

## Chapter V.      Cicada Obligations

**Guideline 501.**      *Ongoing Obligations.*

- (a).**      *General.* Cicada shall:
- (i).      *Make the Platform available to Participants, subject to the provisions of the Subscriber Agreement, these Guidelines, and Applicable Law; and*
  - (ii).     *Operate the Platform in accordance with these Guidelines and Applicable Law.*

## Chapter VI.     Trading Guidelines

**Guideline 601.**      *Trading Guidelines and Trading Days.*

**(a).**      *Trading days.* The Platform will be open for business Monday to Friday except during holidays, as determined by Cicada and notified to Participants

**(b).**      *Settlement days.* Settlement will occur Monday to Friday except during holidays, as determined by Cicada and notified to Participants, such settlement days shall be subject to the procedures of the relevant central securities depositories and, in the case of Riskless Principal Transactions, Cicada's settlement agent.

**(c).**      *Trading Times.* Save during any scheduled maintenance slots or as otherwise determined by Cicada, Orders may be eligible for Execution on the ATS during a Trading Session, and RFQs and RFQ



Responses may be entered into the ATS and eligible for execution from time to time. A Regular Trading Session commences immediately after the Market Open and ends immediately before the Market Close.

- (d). *Determination of Trading Times.*** The times for Market Open and Market Close will be determined by the Chief Executive Officer or a designated registered supervisory principal of the ATS, who may change such times from time to time. Participants shall be duly notified of such changes. There is nothing to prevent or restrict the right of Cicada to extend (or reduce) trading hours generally, or in relation to any eligible Security.
- (e). *Market Halts or Suspensions.*** The Chief Executive Officer or a designated registered supervisory principal of the ATS shall have the power to enforce a Trading Halt or Trading Suspension in any and all securities traded on the ATS, to close some or all ATS facilities, and to determine the duration of any such Trading Halt, Trading Suspension or closing, when he deems such action necessary for the maintenance of fair and orderly markets, the protection of investors, or otherwise in the public interest including special circumstances such as:
  - (i). actual or threatened physical danger, severe climatic conditions, civil unrest, terrorism, acts of war, or loss or interruption of facilities utilized by the ATS;*
  - (ii). A request by a governmental agency or official; or*
  - (iii). A period of mourning or recognition for a person or event. No such action shall continue longer than a period of two days, or as soon thereafter as a quorum of Directors can be assembled, unless the Board approves the continuation of such suspension.*

**Guideline 602.**      *Securities Eligible for Trading.*

- (a).**      *Admission for Trading.* The Platform shall determine the type and nature of the Securities, including:
  - (i). Sovereign (excluding US Bonds, Bills and Notes), supranational and agency bonds, including local currency emerging market bonds; and*
  - (ii). any other category of financial instrument determined and notified to Participants by Cicada from time to time.*
- (b). *Discretion of Trading Protocols.*** Securities offered for trading on the Platform may be offered only on certain Trading Protocols on the Platform. Such decision shall be at the sole discretion of Cicada.
- (c). *Discretion of Admission.*** The decision whether to admit a Security for trading on the Platform is at the sole discretion of Cicada.
- (d). *Exclusivity.*** The Platform facilitates secondary market trading only in the instruments admitted for trading on the Platform.
- (e). *Suspension or Removal of Securities.*** Cicada may suspend or remove a particular Security from trading on the Platform if Cicada deems this necessary in order to comply with these Guidelines, maintain a fair and orderly market on the Platform, to comply with the Applicable Law or in response to a request from a Relevant Regulator, or for any other reason at its discretion.

**Guideline 603.**      *Minimum Price Variation.*



**(a).** *Fixed Income Instruments.* Orders and RFQ Responses in fixed-income securities traded on the Platform will be quoted in increments of one-one thousandth (1/1,000) of one percent for price Instructions quoted in yield or spread with their equivalent price, and one-one thousandth (1/1,000) of one percent for price Instructions quoted as a percent of par with their equivalent yield or spread.

**(b).** *Final Settlement Prices.* Final settlement prices will be adjusted to 6 decimal points, and all settlement amounts in respect of cash in exchange for deliverable securities will be calculated using such prices.

**Guideline 604.** *Accurate Information and Communications.*

**(a).** *Input of Accurate Information.* Participants in the ATS shall input accurate information into the Platform including, but not limited to, each Instruction they enter.

**(b).** *Reliance on Information Given by Participants.* The Platform shall be configured to rely on, and other Participants may rely on, any Instruction or communication that the Platform records as having been given by an Authorized User on behalf of a Participant and such Participant will be bound by any obligations (including, but not limited to, Transactions) arising from such communications.

**(c).** *Binding Instructions, Orders, RFQs and Responses.* Each Participant will be responsible for and bound by all contracts, obligations, costs, and expenses entered into in consequence of or in connection with Instructions, Orders, RFQs and Responses, including any Transactions arising therefrom.

**(d).** *Cicada Discretion to Accept or Act on Participants' Instructions.* Cicada may, in its absolute discretion, decline to accept any Instruction a Participant may give, or having accepted it, refuse to act on it, if Cicada believes that the concerned Instruction would be improper, unlawful, or Clearly Erroneous in accordance with Chapter VIII.

**(e).** *Instructions Invalid Unless Received by the ATS.* Any Instruction will be transmitted at the Participant's own risk and in such manner as may be specified by Cicada. Cicada will not be liable for any loss suffered on account of any Instruction that has not been received and successfully processed by Cicada or not been acted upon. For the purpose of this Guideline "successfully processed" shall mean when the delivery of any Instruction has been confirmed by the ATS Back-End Systems.

**Guideline 605.** *Submission of Orders into the COB.*

**(a).** *COB Order submission.* Submitters may enter Market and Limit Orders into the Platform, subject to the limitations set forth in this Guideline or elsewhere in these Guidelines.

**(b).** *Market Order Minimum Attributes.* A Participant wishing to enter an Order to buy or sell a defined quantity of a Security at any price available in the COB, executed against Limit Orders, must include the following minimum Instructions:

*(i). Time-in-Force. All Market Orders are deemed Immediate or Cancel Orders, any unexecuted amounts will be automatically cancelled by the Platform.*

*(ii). Size. A Market Order must have a quantity that may be entered as a nominal value in Face Value increments or as a number of Securities.*





- (iii). *Direction. A Market Order must have a Direction.*
  - (iv). *Security. A Market Order must identify the Security subject to such Market Order.*
- (c). Limit Order Minimum Attributes.** A Participant wishing to enter an Order to buy or sell a stated amount of a Security at a specified price or better, executed against other Limit Orders, must include the following minimum Instructions:
- (i). *Time-in-Force. A Limit Order must have a TIF Instruction. Unless otherwise instructed by the Submitter, the Platform will automatically default a Limit Order to a TIF instruction of one day. The maximum allowed TIF is of one day, which is defined as a Regular Trading Session and not 24 hours.*
  - (ii). *Price. A Limit Order must have a Price.*
  - (iii). *Size. A Limit Order must have a quantity that may be entered as a nominal value in Face Value increments or as a number of securities.*
  - (iv). *Direction. A Limit Order must have a Direction.*
  - (v). *Security. A Limit Order must identify the security subject to such Limit Order.*
- (d). Stream Feature Minimum Attributes.** A Stream must have all of the following Instructions:
- (i). *Price. A Stream must have a Price. Submitters may not enable a two-way Stream at the same Price for each Direction with respect to a single Security.*
  - (ii). *Size. A Stream must have a quantity that may be entered as a nominal value in Face Value increments or in number of securities.*
  - (iii). *Direction. A Stream must have a Direction.*
  - (iv). *Security. A Stream must identify the security subject to such Stream.*
  - (v). *Enable/Disable Instruction. The Submitter may give "enable" or "disable" Instruction from time to time during a Trading Session. Such Instruction will affect all the Active Orders submitted by a Stream in respect to a Security.*
  - (vi). *Time-in-Force. Unless a "disable" Instruction is received by the ATS in respect of the Stream Feature, which shall cancel all Active Orders associated with the Stream Feature, all Limit Orders placed by the Stream Feature will be deemed to have a TIF of one day, which is defined as a Regular Trading Session and not 24 hours.*

**Guideline 606.**      Stream Feature.

- (a).** *Stream Feature.* Submitters may enable the Stream feature with respect to submissions of continuous Limit Orders into the COB.
- (b).** *Permissioned Access.* The Stream feature shall be available to the Sell-Side or otherwise to any other Participant that can prove, to the satisfaction of Cicada, that it deals in the securities available in the Platform in an amount equal to or greater than a threshold determined by Cicada and modified from time to time, which shall be disclosed to all Participants.
- (c).** *Limit Orders in Respect of the Stream Feature.* Limit Orders submitted by the Stream feature will have the same Ranking and Execution with respect to all other Limit Orders as set forth in Guidelines 608 and 609 hereunder, respectively.
- (d).** *Multiple Streams.* The Submitter may enable up to five (5) Streams per Security per Participant in each Direction, provided that (in respect of the same Security and Direction) each additional Stream is priced less aggressively than the Stream immediately preceding.



- (e). *Size and Price Modifications.* The Submitter may modify the Size and Price of a Stream Feature from time to time during a Trading Session. Any modification to a Price or Size Instruction of the Stream feature will replace the COB Limit Order submitted by the Stream feature to reflect such new Instructions. The Limit Order with such new Instructions shall lose time and price priority as compared to all other Limit Orders in the COB and the time stamp for such new Limit Order being revised to reflect the time of the modification.
- (f). *Enabling or Disabling the Stream.* The Submitter may use the Disable/Enable Instruction with respect to Streams of a particular Security from time to time during the Trading Session. With respect to a particular Security: a “disable” Instruction shall cancel all Active Limit Orders submitted by the Stream feature; and an Enable Instruction shall submit Limit Orders into the COB to reflect the Submitter’s Instructions.
- (g). *Instructions Invalid Unless Received by the ATS.* Notwithstanding anything to the contrary in these Guidelines, no cancellation or replacement of any Limit Order submitted by the Stream feature will be effective until such Instruction has been successfully processed by the Platform. Cicada will not be liable for any loss suffered on account of any Instruction that has not been received and successfully processed by Cicada or not been acted upon. For the purpose of this Guideline “successfully processed” shall mean where the delivery of any Instruction has been confirmed by the ATS Back-End Systems.

**Guideline 607.**      *Opening Market Price and Closing Price.*

(a). *Determination of COB Opening Market Price.* The Platform shall calculate the Opening Market Price of the Regular Trading Session that commences immediately after the Market Open. The Opening Market Price shall be the following:

- (i). *such price entered by Cicada in its absolute discretion before Market Open, according to prevailing market conditions or relying on other external valuation services; or*
- (ii). *the Closing Price of the Regular Trading Session immediately preceding.*

(b). *Determination of COB Closing Price.* The Platform shall calculate the Closing Price of a Regular Trading Session. The Closing Price shall be the following:

- (i). *the price of the last Transaction negotiated in the COB during such Trading Session, if any; or otherwise*
- (ii). *the last Reference Price (as elsewhere defined in these Guidelines) of such Trading Session.*

(c). *Determination of the Reference Price after a market Suspension.* In resuming a Trading Session after a Suspension, the initial reference price of the Trading Session following a Suspension shall be entered by Cicada in its discretion before the Trading Session is resumed, according to prevailing market conditions or relying on other external valuation services.

**Guideline 608.**      *Priority of COB Orders.*

(a). *Limit Order Ranking.* Limit Orders of Submitters will be ranked and maintained in the COB of a Trading Session based on the following priority:

- (1). *Suitability Thresholds.* Any Limit Order violating Suitability Thresholds contemplated under these Guidelines will be Rejected and not included in the priority ranking.



- (2). *Trading Restrictions.* Any Limit Order that may violate a relevant trading-related restriction for the underlying Security will be Rejected and not included in the priority ranking.
- (3). *Price.* The highest-priced Limit Order to buy (or lowest-priced Limit Order to sell) will have priority over all other Limit Orders to buy (sell) in all cases, which shall be then ranked in descending (ascending) order. For the purposes of determining such price priority, fixed-income securities traded on the ATS will be priced as a percentage of par value.
- (4). *Time.* Subject to the Execution process described in Guideline 609 hereunder, where Limit Orders to buy or sell are entered into the Platform during the Trading Session at the same price, the Limit Order will be ranked second in time priority at the Market Open for the current Trading Session after the Limit Orders in paragraph (i) above. The Limit Order clearly established as the first entered into the Platform at such particular price shall have precedence at that price, up to the Units of Trading specified in the Limit Order. The Platform shall rank all equally priced trading interest within the Platform in time priority.
- (5). In the event an Active Limit Order has been cancelled, such Limit Order will not retain any priority as compared to all other Limit Orders in the COB.
- (6). In the event that a Limit Order undergoes a Partial Execution in accordance with these Guidelines, the unexecuted size of the Limit Order shall retain its original time priority and be ranked in the order noted above.

**Guideline 609.**      COB Order Execution.

**(a).**      *COB Order Matching.* Subject to the restrictions under these Guidelines, Orders shall be matched by the COB Order Matching Algorithm for Execution in accordance with this Guideline. An Order will be Rejected, if based on market conditions, Participant instructions or applicable Guidelines, such Order is not eligible for Execution or cannot be entered into the COB. Any Execution of any Order by the COB Order Matching Algorithm may result in a single or multiple binding Transactions. An incoming Order shall first attempt to be matched against Limit Orders in the COB as described below:

- (1). In the event that an incoming Order described in paragraph (a) above is a Limit Order priced equally or more aggressively than a Limit Order with an opposite Direction displayed on the COB, the ATS will execute the incoming Limit Order at:
  - (i). *in the case of an incoming sell Limit Order, the price(s) of the highest priority buy Limit Order(s) in the COB in accordance with Guideline 608 up to the Units of Trading specified in the Limit Order; and*
  - (ii). *in the case of an incoming buy Limit Order, at the price(s) of the highest priority sell Limit Order(s) in the COB in accordance with Guideline 608 up to the Units of Trading specified in the Limit Order; or*
- (2). In the event that an incoming Order described in paragraph (a) above is a Market Order, the ATS will execute the incoming Market Order at:
  - (i). *in the case of an incoming sell Market Order, the price(s) of the highest priority buy Limit Order(s) in the COB in accordance with Guideline 608 up to the Units of Trading specified in the Market Order; and*
  - (ii). *in the case of an incoming buy Market Order, the price(s) of the highest priority sell Limit Order(s) in the COB in accordance with Guideline 608 up to the Units of Trading specified in the Market Order.*

**(b).** *Cancel Instructions.* A Submitter may cancel an Active Order entered by the Submitter, subject to the following limitations:

- (i). *Orders may only be cancelled if the Order has not yet been Executed in its entirety. In the event that a Limit Order undergoes a Partial Execution in accordance with these Guidelines, only the unexecuted size of the Order may be cancelled and the Executed size of the Order shall be binding; and*
- (ii). *Notwithstanding anything to the contrary in these Guidelines, no cancellation or replacement of an Order will be effective until such Instruction has been successfully processed by the Platform. Cicada will not be liable for any loss suffered on account of any Instruction not being received and successfully processed by Cicada or not being acted upon. For the purpose of this Guideline, “successfully processed” shall mean when the delivery of any Instruction has been confirmed by the ATS Back-End Systems.*

**Guideline 610.**      Submission of Request for Quotes.

**(a).** *RFQ Submissions.* Requestors may enter Requests for Quotes to request executable, binding quotations to buy or sell a given Security from other Participants, subject to the limitations set forth in this Guideline or elsewhere in these Guidelines.

**(b).** *RFQ Minimum Attributes.* RFQ submissions by Requestors must contain the following attributes:

- (i). *Security.* All RFQs must specify the Security subject to the RFQ.
- (ii). *Time-in-Force.* An RFQ must have a TIF Instruction. RFQ TIF instructions are restricted to limited options in relation to each of the Securities. An RFQ TIF instruction of one day shall be defined as 24 hours and not as a Trading Session.
- (iii). *Size.* An RFQ must have a quantity that may be entered as a nominal value in Face Value increments or as a number of Securities.
- (iv). *Direction.* An RFQ must have an Instruction defining whether the Requestor wishes to request bids, offers or a two-way market.
- (v). *Institution Type Disclosure.* An RFQ must have an Institution Type privacy Instruction that may be set as “visible”, which discloses the Institution Type of the Requestor to Responders and the Responder’s Institution Type to the Requestor, or “hidden”, which does not disclose the Institution Type of the Requestor or Responders to any party.
- (vi). *Settlement Currency.* An RFQ must have a Settlement Currency instruction which is limited to each of the Securities. A User may elect a settlement currency different from the currency denomination of the Securities upon submitting the RFQ. Responders to such RFQ must include in their Responses the foreign exchange quote they will use for conversion upon settlement.
- (vii). *Settlement Date.* An RFQ must have a settlement date Instruction.

**(c).** *Institution Type Target.* RFQs may have a Subscriber Class Target Instruction, which may be set as Dealers, Institutional Investors or All-to-All:

- (i). *Where RFQs are utilizing an Institution Type target Instruction of “Dealers”, only Responders whose Institution Type is defined as Dealers may respond to such RFQs;*
- (ii). *Where RFQs are utilizing an Institution Type target Instruction of “Institutional Investors”, only Responders whose Subscriber Class is defined as Institutional Investors may respond to such RFQs; and*
- (iii). *Where RFQs are utilizing an Institution Type target Instruction of “all-to-all”, any Responder, regardless of its Institution Type, may answer to such RFQs.*



**Guideline 611.**      Submission of a Response to an RFQ.

**(a).**      *Responses to RFQs.* Responders may only enter RFQ Responses to RFQs that have a Institution Type target Instruction set to an Institution Type equal to the Institution Type of such Responders; or an Institution Type target Instruction set to "all-to-all".

**(b).** *Response Minimum Attributes.* RFQ Responses must contain (in respect of each Direction in the case of two-way market RFQs):

- (i). Size. A Response must have a quantity that may be entered in nominal value in Face Value increments or in number of securities*
- (ii). Price. A Response must have a Price instruction.*
- (iii). FX Quotation. A Response must include a FX Quotation if the RFQ's Settlement Currency is set to a currency other than the currency denomination of the Security subject to the RFQ.*

**Guideline 612.**      Ranking of Request for Quote Responses.

**(a).**      *Response Ranking.* Responses shall be ranked within each RFQ based on the following priority:

- (i). Suitability Thresholds. Any Response violating suitability thresholds contemplated in these Guidelines will be Rejected and not included in the priority ranking.*
- (ii). Trading Restrictions. Any Response that may violate a relevant trading-related restriction for the underlying Security will be Rejected and not included in the priority ranking.*
- (iii). Price. The highest-priced Response to buy (or lowest-priced Response to sell) will have priority over all other Responses to buy (sell) in all cases, which shall be then ranked in descending (ascending) order. Fixed-income securities traded on the ATS will be priced as a percentage of par value. If the RFQ's Settlement Currency is set to a currency other than the currency denomination of the Security, the Price will be ranked in terms of the Settlement Currency, with the currency denomination of the Security taking priority.*
- (iv). Time. Where Responses to buy or (sell) are entered into the Platform during the RFQ's TIF at the same Price, the Response clearly established as the first entered into the Platform at such particular Price shall have precedence at that Price, up to the number of Units of Trading specified in the Response. The Platform shall rank all equally priced trading interest within the Platform by time priority.*

**Guideline 613.**      Request for Quote Execution.

**(a).**      *RFQ Execution Protocol.* A Requestor may execute an Active RFQ at any time before the expiration of such RFQ against one or more Responses at the discretion of the Requestor. The Requestor may select one or more buy Responses or one or more sell Responses for Execution (in the aggregate, the "Response Selection"). When and if the size of the Response Selection is greater than the number of Units of Trading specified in the RFQ, the Platform will execute the RFQ at, in the case of an Instruction to sell, the price(s) of the highest priority buy Responses(s) in the Response Selection in accordance with Guideline 612 up to the Units of Trading specified in the RFQ; and, in the case of an Instruction to buy, the price(s) of the highest priority sell Response(s) in the Response Selection in accordance with Guideline 612 up to the Units of Trading specified in the RFQ.





**(b).** *RFQ Auto Execute Protocol.* A Requestor may elect to execute an Active RFQ automatically upon maturity. Upon maturity the Platform will execute the RFQ at, in the case of an Instruction to sell, the price(s) of the highest priority buy Responses(s) in the Response Selection in accordance with Guideline 612 up to the Units of Trading specified in the RFQ; and, in the case of an Instruction to buy, the price(s) of the highest priority sell Response(s) in the Response Selection in accordance with Guideline 612 up to the Units of Trading specified in the RFQ.

**(c).** *Arbitrage Prohibition.* The Requestor shall not execute a two-way market RFQ with both buy and sell Responses.

**(d).** *Size Limitation.* The Requestor shall not execute the RFQ for a Size greater than the number of Units of Trading specified in the RFQ.

**(e).** *Response Cancellation Instructions.* A Requestor may cancel an Active RFQ entered by the Requestor at any time, subject to the following limitations:

- (i). Active Responses may only be cancelled or replaced at any time before the earlier of: (A) the RFQ Execution by the Requestor; (B) the RFQ cancellation by the Requestor or (C) the RFQ expiration; and*
- (ii). Notwithstanding anything to the contrary in these Guidelines, no cancellation of an RFQ or cancellation or modification of an RFQ Response will be effective until such Instruction has been successfully processed by the Platform. Cicada will not be liable for any loss suffered on account of any Instruction not being received and successfully processed by Cicada or not being acted upon. For the purpose of this Guideline, "successfully processed" shall mean where the delivery of any Instruction has been confirmed by the ATS Back-End Systems.*

**Guideline 614.**     Rule 15c2-11

**(a).** *Compliance With Rule 15c2-11.* Broker-Dealer Participants who are registered with the SEC may only provide quotations for the following trading functionalities if such Participant has determined that the quoted security or its issuer meets the criteria set forth in Appendix A of the SEC's No-Action Letter dated December 16th, 2021<sup>1</sup>:

- (i). Submitting an Order*
- (ii). Submitting a Stream*
- (iii). Initiating an RFQ*
- (iv). Responding to an RFQ*

**(b).** *Responsibility of Broker Dealers.* It is each Broker-Dealer Participant's responsibility to ensure that its quote is compliant with the No-Action Letter for the functionality set forth in paragraph (a) above. The System will not enforce a block on any security due to SEC Rule 15c2-11 as each Broker-Dealer Participant may reach a different determination regarding the Appendix A criteria.

## Chapter VII. Post-Trade Confirmations and Reporting, Clearing and Settlement

---

<sup>1</sup> This SEC no-action letter can be found at <https://www.sec.gov/files/fixed-income-rule-15c2-11-nal-finra-121621.pdf>



**Guideline 701.**      Confirmation Messages.

(a). *Issuance of Confirmation Messages.* Following each Transaction, the Platform provides confirmation messages to each Participant containing the details of such Transaction. Sponsoring Subscribers shall be responsible of providing a confirmation message to Sponsored Participants.

(b). *Method of Delivery.* Subject to Cicada's approval and Platform functionality, the configuration and method of delivery of such messages depends upon the Authorized User's settings.

**Guideline 702.**      Adequate Arrangements.

(a). *Clearing and Settlement.* Each Participant shall have adequate arrangements in place for the clearing and settlement of Transactions.

(b). *Timeliness.* Each Participant shall ensure that every Transaction is settled in a timely manner in accordance with market standards and Applicable Law and must notify Cicada once the Transaction has settled or otherwise failed to settle.

**Guideline 703.**      Riskless Principal Transactions.

(a). *Riskless Principal Transactions.* The Platform allows Participants to operate in an anonymous Central Limit Order Book and publish and execute RFQs or respond anonymously to RFQs from other Participants, with whom they may not have an existing trading relationship, in a way that results in a Transaction. In these circumstances Cicada, selected and approved by the Participants who are Subscribers for such purpose, may act as the trading counterparty on a riskless principal basis between the Participants who are Subscribers, in accordance with the parameters of the Transaction agreed to by the Participants who are parties to a Transaction, thereby preserving their anonymity.

(b). *Counterparty.* A Participant must select Cicada or its Sponsoring Subscriber as a riskless principal counterparty.

(c). *Participant Identification Disclosure by Cicada.* Cicada shall not be obligated to identify any Participant involved in a Transaction under any circumstances.

**Guideline 704.**      Suitability.

(a). *General.* Cicada will not assess whether a proposed Transaction is suitable or appropriate for the relevant Participant entering into the Transaction. Each Participant must at all times take responsibility for the Execution of all its Orders, RFQs and RFQ Responses, as well as the Transactions that result from such Executions in the Platform. Nothing in these Guidelines will imply that Cicada has a duty to provide a Participant with an on-going information or guidance in respect of any Transaction or investment.

**Guideline 705.**      Transaction Liability and Confidentiality.

- (a). *General.* In respect of all Transactions entered into by a Participant, Cicada shall not be:
- (i). *Obligated to provide a counterparty identity to any Participant or any other person or Participant involved in a Transaction under any circumstances; nor*
  - (ii). *Obligated to verify, correct, complete or update any information displayed in the Platform*



**Guideline 706.**      Transaction Fails or Insolvency Events.

(a). *General.* In addition to the disciplinary actions available to it elsewhere under these Guidelines, in the event of a Transaction Fail or Insolvency Event in respect of a Participant, subject to and in addition to remedies available under Applicable Law, Cicada may close out, terminate, void or reverse all or any part of any Transaction (including any Internal Cross Transactions) to which the defaulting Participant is a party and instruct its settlement agent not to settle such Transaction (or any part of it).

(b). *Fails Expenses.* Participants agree to take responsibility for any charges, fees, penalties or other costs incurred by Cicada resulting from the Participant's failure to deliver securities or cash for such transaction by the required settlement date (each, a "Fails Expense"). Participants also agree that the failure of Cicada to seek to recover any Fails Expense in any one transaction or in multiple transactions shall not constitute a waiver of the foregoing rights with regard to any other Transaction that results in a Fails Expense. The claim of a Fails Expense by Cicada shall not be without prejudice to any other rights or remedies available to Cicada and shall not constitute a waiver of Cicada's right to exercise any other remedy.

**Guideline 707.**      Cicada Obligations.

(a). *Cicada Obligations Generally.* Cicada will be responsible for all obligations including settlement, relating to its side of the Transaction. A settlement agent selected by Cicada, and notified to the Participant, will act on behalf of Cicada in relation to the clearing and settlement of all Principal Transactions and Riskless Principal Transactions; and settlement of such Transactions and Riskless Principal Transactions is subject to the procedures of such firm and relevant Central Securities Depositories in the normal course of business.

**Guideline 708.**      Participants' Tax Liabilities.

(a). *Tax Liabilities Generally.* Participants are responsible for determining whether any tax liability may arise from their Transactions, and for applying for any relevant exemption from such taxes. Participants are solely liable for the payment of any taxes due in relation to their Transactions.

**Guideline 709.**      Excess Fees.

(a). *Excess Fees Generally.* If Cicada becomes aware that an amount received by way of fees is in excess of the amount due from the Participant, Cicada shall as soon as reasonably practicable, calculate the amount of the excess payment and notify the Participant promptly of the excess. Unless otherwise agreed with the Participant, such payment shall be deemed to constitute advance payment in respect of that Participant's future obligations.

**Guideline 710.**      Transaction Reporting.

(a). *Transaction Reporting Generally.* Transactions shall be reported by the ATS to an appropriate transaction reporting platform to the extent required by applicable Guidelines and regulations. Cicada will report to OATS and TRACE any transactions for which such reporting is required in respect to its side of the Transaction. Additionally, any Participant to the trading platform that has an OATS or TRACE reporting obligation as a reporting member will report such transactions independently.

(b). *OATS Reporting.* A Participant must report a transaction in an "OTC Equity Security," as defined in FINRA Rule 7410(l), through the FINRA OATS reporting system if the Participant is



a FINRA member and receives or originates an Order in an OATS Eligible Security and has an obligation to record and report information under FINRA Rules 7440 and 7450 and is not eligible for an exemption from the definition of a “Reporting Member” under FINRA Rule 7410(o). For all Participants that are not FINRA members, Cicada shall handle OATS reporting obligations.

- (c). *TRACE Reporting.* All Participants to the ATS that are FINRA members must report their “Reportable TRACE Transactions” as defined in FINRA Rule 6710(c) to FINRA through the FINRA TRACE reporting system. Cicada reports Transactions in TRACE-Eligible securities for match principal transactions. Cicada will not report Transactions in TRACE-Eligible securities to which Cicada is not acting as riskless principal counterparty.
- (d). *Reporting Responsibility.* Each Participant acknowledges and agrees it must comply with any Applicable Law relating to post-trade transaction reporting to any Relevant Regulator. Cicada is not responsible for reporting Transactions that occur on a disclosed basis, including via RFQ.

## Chapter VIII. Fat Finger Policy and Clearly Erroneous Execution Policy

### **Guideline 801.**      Clearly Erroneous Policy.

(a). *Clearly Erroneous Policy.* An Officer of the ATS or such other employee designee of the ATS (the “**ATS Official**”) may determine if a Transaction is “Clearly Erroneous”. For purposes of this Guideline an Order or Response is “Clearly Erroneous” when it has been subject to a Trading Volume Hard Limit as defined in Guideline 803 or Fat Finger Hard Limit as defined in Guideline 802 (collectively “**Suitability Thresholds**”); and a Transaction is “Clearly Erroneous” when otherwise executed on the ATS:

- (i). *a price level that is clearly inconsistent with the current market for that Security at the time of Execution, taking into account any material news disseminated about the issuer of such Security within the 30 minutes prior to the time of Execution;*
- (ii). *on any terms that are inconsistent with prevailing market practice or would reasonably appear to the Participant, Sponsoring Subscriber or Cicada to be entered or calculated in error under the given circumstance;*
- (iii). *is incapable of normal settlement and clearing by Cicada’s (or Sponsoring Subscriber’s) designated third-party clearing firm;*
- (iv). *would otherwise be detrimental to the integrity of the ATS and/or inconsistent with just and equitable principles of trade; or*
- (v). *under the effect of additional factors, including but not limited to, an injunction, order or other action by a governmental authority that supersedes any countervailing obligation to comply with applicable regulatory requirements, fire, flood, accident, labor difficulty, strike, riot, civil commotion, acts of God, declaration of war by any country that would directly or indirectly affect the market for the Security (the foregoing, each a “**Force Majeure Event**”), major equipment failure, fluctuation or unavailability of electrical power or telecommunications equipment, volume anomalies, volatility for the Security, news released for the Security, whether trading in the Security was recently halted/resumed. Each additional factor shall be considered with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.*



- (b).** *RISKLESS PRINCIPAL TRANSACTIONS.* BY USING ANY OF CICADA’S TRADING PROTOCOLS THAT RELIES ON RISKLESS PRINCIPAL TRANSACTIONS, EACH PARTICIPANT AGREES TO BE BOUND BY, AND COMPLY WITH, THIS CLEARLY ERRONEOUS POLICY. IF YOU DO NOT AGREE TO BE BOUND BY, AND COMPLY WITH, THIS CLEARLY ERRONEOUS POLICY, DO NOT USE ANY TRADING PROTOCOL OR FUNCTIONALITY THAT RELIES ON RISKLESS PRINCIPAL TRANSACTIONS. THIS POLICY IS SUPPLEMENTAL TO, AND DOES NOT SUPERCEDE, THE APPLICABLE SUBSCRIBER AGREEMENT OR SPONSORED ACCESS AGREEMENT ENTERED INTO BY EACH PARTICIPANT WITH CICADA (AND THE SPONSORING SUBSCRIBER, IF APPLICABLE).
- (c).** *Request and Timing of Review.* A Participant that receives an Execution on an Order, RFQ or RFQ Response that was submitted erroneously to the ATS for its own or customer account may request that the ATS review the transaction under this Guideline. An ATS Official shall review the transaction under dispute and determine whether it is Clearly Erroneous, with a view toward maintaining a fair and orderly market and the protection of investors and the public interest. Such request for review shall be made in writing via e-mail or other electronic means specified from time to time by the ATS in its website.
- (d).** *Requests for Review.* Requests for review must be received by the ATS within three (3) hours of Execution time and shall include information concerning the time of the transaction(s), Security identifier(s), Units of Trading, price(s), Direction, and factual basis for believing that the Transaction is Clearly Erroneous. Cicada will disclose the information concerning the request for review and the transaction to the counterparties involved in the Transactions, if any, which shall be notified by the ATS as soon as practicable, but no later than the close of the business day on which the Transaction was Executed. An ATS Official may request additional supporting written information to aid in the resolution of the matter. If requested, each party to the transaction shall provide any supporting written information as may be reasonably requested by the ATS Official to aid resolution of the matter within three (3) hours of the ATS Official’s request. Either party to the disputed Transaction may request the supporting written information provided by the other party on the matter. Cicada reserves the right, in its sole discretion, to determine that a Transaction was not Clearly Erroneous and should not be cancelled when the market for the Security at the time of Execution of the Transaction was too volatile or illiquid for Cicada to discern the then-current or expected market level of the Security.
- (e).** *Review Procedures.* Unless both parties to the disputed transaction agree to withdraw the initial request for review, the transaction under dispute shall be reviewed, and a determination shall be rendered by the ATS Official. If the ATS Official determines that the transaction is not Clearly Erroneous, the ATS Official shall decline to take any action in connection with the completed Transaction. In the event that the ATS Official determines that the transaction in dispute is Clearly Erroneous, the ATS Official shall declare the transaction null and void or otherwise change the terms of such Transactions. A determination shall be made generally within one hundred and twenty (120) minutes of receipt of the complaint, but in no case later than the Market Open on the following trading day.
- (f).** *Platform Disruption or Malfunctions.* In the event of any disruption or a malfunction in the operation of any electronic communications and trading facilities of the ATS in which the nullification of transactions may be necessary for the maintenance of a fair and orderly market or the protection of investors and the public interest exist, an ATS Official or a supervisory principal, on his or her own motion, may review such transactions and declare





such transactions arising out of the operation of such facilities during such period Clearly Erroneous, and thus null and void. In such events, the ATS Official or a supervisory principal will rely on the provisions of paragraph (a) of this Guideline and paragraph (d)(i) of Guideline 802, but in extraordinary circumstances may also use a lower Numerical Guideline if necessary to maintain a fair and orderly market, protect investors and the public interest. Absent extraordinary circumstances, any such action of the ATS Official or a supervisory principal pursuant to this paragraph shall be taken within one hundred and twenty (120) minutes of detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the ATS Official or senior level employee designee must be taken by no later than the start of the Market Open on the trading day following the date of Execution(s) under review. Each Participant involved in the transaction shall be notified as soon as practicable by the ATS. In determining whether a Transaction is Clearly Erroneous due to a system disruption or malfunction, Cicada may utilize any information, and consult with any relevant parties, that in its sole discretion it deems adequate or appropriate. In determining whether a Transaction is Clearly Erroneous by reason of a Force Majeure Event, Cicada shall give notice and provide full particulars of the Force Majeure Event in writing to the affected Participants within a commercially reasonable time after occurrence of the event or cause relied upon. Notwithstanding the foregoing, Cicada may be relieved of its obligation to provide notice of a Force Majeure Event if Cicada is affected by a Force Majeure Event, and such relief should remain in effect during the continuance of the Force Majeure Event affecting Cicada and for a commercially reasonable period of time thereafter.

- (g). *Officer Acting on Own Motion.* An ATS Official or designated supervisory principal, acting on his or her own motion, may review potentially erroneous Executions and declare Transactions null and void, change the terms of such Transactions or shall decline to take any action in connection with the completed Transaction(s). In such events, the ATS Official or other designated supervisory principal will rely on the provisions of paragraph (a) of this Guideline and paragraph (d)(i) of Guideline 802, but in extraordinary circumstances may also use a lower Numerical Guideline if necessary to maintain a fair and orderly market, protect investors and the public interest. Absent extraordinary circumstances, any such action of the ATS Official or such other designated supervisory principal shall be taken in a timely fashion, generally within one hundred and twenty (120) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the ATS Official or other designated supervisory principal must be taken by no later than the start of the Market Open on the trading day following the date of Execution(s) under review. When such action is taken independently, each party involved in the transaction shall be notified as soon as practicable by the ATS.
- (h). *Multi-Day Event.* A series of transactions in a particular Security on one or more trading days may be viewed as one event if all such transactions were effected based on the same fundamentally incorrect or grossly misinterpreted issuance information resulting in a severe valuation error for all such transactions (the “**Multi-Day Event**”). An ATS Official or supervisory principal, acting on his or her own motion, shall take-action to declare all transactions that occurred during the Multi-Day Event null and void not later than the start of the next trading on the day following the last transaction in the Multi-Day Event. If trading in the Security is halted before the valuation error is corrected, an ATS Official or supervisory principal shall take-action to declare all transactions that occurred during the Multi-Day Event null and void prior to the resumption of trading. Notwithstanding the foregoing, no action can



- be taken pursuant to this paragraph with respect to any transactions that have reached settlement date. To the extent transactions related to a Multi-Day Event occur on one or more other market centers, the ATS will promptly coordinate with such other market center(s) to ensure consistent treatment of the transactions related to the Multi-Day Event, if practicable. Any action taken in connection with this paragraph will be taken without regard to the Numerical Thresholds set forth in this Guideline. Each Participant involved in a transaction subject to this paragraph shall be notified as soon as practicable by the ATS.
- (i). *Trading Cessations.* In the event of any disruption or malfunction in the operation of the electronic communications and trading facilities of the ATS, Trading Suspension or Trading Halt, an ATS Official or supervisory principal, acting on his or her own motion, shall nullify any transaction in a Security that occurs after a Trading Halt, Suspension or pause with respect to such Security is effected and before such Trading Halt, Suspension or pause with respect to such Security has officially ended according to these Guidelines. In addition, in the event a Trading Halt, Suspension or pause is declared, then prematurely lifted in error and is then re-instituted, an ATS Official or supervisory principal shall nullify transactions that occur before the official, final end of the Trading Halt, Suspension or pause according to the primary listing market. Any action taken in connection with this paragraph shall be taken in a timely fashion, generally within one hundred and twenty (120) minutes of the detection of the erroneous transaction and in no circumstances later than the start of ATS trading hours on the trading day following the date of Execution(s) under review. Any action taken in connection with this paragraph will be taken without regard to the Numerical Thresholds set forth in these Guidelines. Each Participant involved in a transaction subject to this paragraph shall be notified as soon as practicable by Cicada.
  - (j). *Catastrophic Errors.* In the event of a Catastrophic Error, as defined hereunder, Cicada shall have the right to: (i) initiate a review of any Transaction regardless of whether a party to the transaction has timely requested a review; and (ii) determine that all Transactions impacted by such Catastrophic Error, as determined by Cicada in its sole discretion, shall be declared null and void, or adjusted in accordance with paragraph (g) of this Guideline. For the purpose of this paragraph (j) a Catastrophic Error shall be deemed to have occurred when: (i) 4 or more Participants or 10 or more Transactions are impacted by a system disruption or malfunction, even if such trades are not otherwise Clearly Erroneous; or (ii) a single Participant causes, or is involved in, 10 or more Clearly Erroneous Transactions in a single day.
  - (k). *PARTICIPANT OBLIGATIONS.* IN ALL CIRCUMSTANCES, A TRADE WILL REMAIN AN OBLIGATION OF THE PARTICIPANTS WHO ARE PARTIES TO SUCH TRADE AND SUBJECT TO ANY AGREEMENTS BETWEEN CICADA AND SUCH PARTICIPANTS UNTIL CICADA NOTIFIES SUCH PARTICIPANTS BY E-MAIL THAT SUCH TRANSACTION HAS BEEN ADJUSTED OR CANCELLED PURSUANT TO THIS CLEARLY ERRONEOUS POLICY.
  - (l). *Voluntary Accommodations.* In the event that a Transaction is not eligible for review under this Clearly Erroneous Policy, a Participant who is a party to a Transaction may request that Cicada attempt to reach a mutually agreed upon Transaction adjustment, cancellation or reversal with the counterparty, although Cicada will be under no obligation to do so. In such instance, Cicada solely facilitates such requests by contacting the counterparty for assent to voluntary adjust, cancel or reverse the transaction subject to such voluntary accommodations; however, Cicada will not have any discretion over the actions or inactions of subject counterparties.



**(m).** *Refusal to Abide by Cicada’s Clearly Erroneous Execution Policy.* Use of any of the ATS trading protocols that rely on riskless principal transactions constitutes acceptance of Cicada’s right to declare null and void, or otherwise adjust any Clearly Erroneous Transactions. Cicada shall not be liable for losses or damages arising as a result of Cicada’s action or inaction pursuant to this Clearly Erroneous Policy. Each Participant shall reimburse Cicada for any losses, costs or expenses Cicada incurs as a result of such Participant’s failure to abide by Cicada’s determinations under this Clearly Erroneous Policy.

**Guideline 802.** *Fat Finger Warnings and Fat Finger Hard Limit.*

- (a).** *Reference Price.* The Reference Price for the purpose of these Guidelines shall be:
- (i). *the Opening Market Price of the Regular Trading Session as set forth in Guideline 607;*
  - (ii). *the price of the last Transaction negotiated in the COB; or*
  - (iii). *the price entered by the ATS Official in its absolute discretion, according to prevailing market conditions or relying on other external valuation services; whichever occurs later.*
- (b).** *Fat Finger Hard Limit.* Orders and Responses may be subject to a Fat Finger Hard Limit and will thus be deemed Clearly Erroneous if the price of the transaction to buy (or sell) that is the subject of the hard limit is greater than (or less than) the Reference Price by an amount that equals or exceeds the Numerical Thresholds set forth in paragraph (d) hereunder. Orders or Responses subject to a Fat Finger Hard Limit will be Rejected by the Platform and will not be eligible for Execution.
- (c).** *Fat Finger Warnings.* Orders and Responses may be subject to a Fat Finger Warning if the price Instruction to buy (or sell) that is the subject of the warning is greater than (or less than) the Reference Price by an amount that equals or exceeds the Numerical Thresholds set forth in paragraph (d) hereunder. Orders or Responses subject to a Fat Finger Warning will display a warning to the Submitter before processing such Order or Response.
- (d).** *Numerical Thresholds.* The ATS will display a Fat Finger Warning and enforce a Fat Finger Hard Limit according to the Numerical Thresholds or other Additional Considerations set forth hereunder.
- (i). *Numerical Thresholds. Subject to the provisions of paragraph (d)(ii) hereunder, Numerical Thresholds shall be as follows:*

Security Type	Method	Fat Finger Warning	Fat Finger Hard Limit
Fixed-Rate Notes	Yield	+/- 10bps	+/- 20bps
Floating-Rate Notes	Price	+/- 2.5%	+/- 5%
Zero-Coupon Notes	Price	+/- 2.5%	+/- 5%
Other Securities	Price	+/- 2.5%	+/- 5%

(ii). *Additional Considerations.* Cicada may rely on certain additional Considerations as it relates to Fat Finger Warnings and Fat Finger Hard Limit including, without limitation,



where an Order or RFQ has a Size Instruction that is greater or equal than the complete issue size of a Security; or where an Authorized User is submitting multiple small and repeated Orders and/or RFQs for the Same security, in a way that would be inconsistent with the obligation of Cicada to maintain a fair and orderly market. Each additional consideration shall be revised with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

**Guideline 803. Trading Volume Thresholds.**

**(a). Open Risk Position.** For purpose of this Guideline, a Participant’s Open Risk Position is the dollar equivalent of the sum of:

- (i). the aggregate amount of Active Orders net of Partial Executions, if any; plus
- (ii). the aggregate amount of Transactions that have not been settled, if any; plus
- (iii). the aggregate amount of Active RFQs, if any; plus
- (iv). the aggregate amount of Active Responses, if any.

**(b). Trading Volume Hard Limit.** The ATS will enforce a Trading Volume Hard Limit if the Size instruction of the Order, RFQ, RFQ Responses subject to the Trading Volume Hard Limit added to the then-prevailing Open Risk Position of the Participant equals or exceeds the Risk Profile Guidelines as set forth in paragraph (c) of this Guideline.

**(c). Risk Profile Guidelines.** Subject to the provisions of paragraphs (d) and (e) below, the Open Risk Position held by each Participant shall not exceed, the amount set forth hereunder:

Risk Profile	Maximum Allowed Open Risk Position
A	US\$100,000,000
B	US\$10,000,000
C	US\$2,000,000

**(d). Risk Profile Determination by Cicada.** Cicada shall, at its sole discretion, and pursuant to its internal policies, ultimately determine the Risk Profile of any Participant. Sponsoring Subscribers shall have control over the Risk Profiles of their Sponsored Participants pursuant to these Guidelines and shall promptly notify Cicada of any determinations of Risk Profiles or changes thereof.

**(e). Risk Profile Review.** A Participant who is not a Sponsored Participant may request in writing that Cicada reviews a Participant’s Risk Profile. In such circumstances, an ATS Official may require from the Participant any supporting written information as may be reasonably requested for evaluating a Risk Profile review, which must be provided by the Participant.

**(f). Ad Hoc Exemptions or Extensions.** A Participant or a Sponsoring Subscriber may request in writing that Cicada grants an Ad Hoc Exemption or Extension to themselves or, if applicable, to their Sponsored Participants.



- (g). *Unlimited Open Risk Position.* Subject to a determination by Cicada a permitted sell-side Participant acting as liquidity provider in the Platform may be granted an unlimited Open Risk Position. This grant by Cicada shall be contingent on the ongoing satisfaction of Cicada's compliance requirements.

## Chapter IX. Trading Practice and Market Conduct Guidelines.

### **Guideline 901.** Market Manipulation.

(a). *General.* Participants are expected, in the conduct of their business and participation on the Platform, to observe high standards of commercial honor and just and equitable principles of trade. Participants must adhere to all applicable laws, rules and regulations, including, without limitation:

- (i). *Prohibition Against Market Manipulation.* No Participant shall participate or have any interest, directly or indirectly, in the profits of a manipulative operation (including, without limitation, manipulative operations set forth hereunder) or knowingly manage or finance a manipulative operation.
- (ii). *Prohibition Against Ramping and High Closing.* No Participant shall execute or cause to be executed or participate in an account for which there are executed purchases of any Security at successively higher prices, or sales of any Security at successively lower prices, for the purpose of creating or inducing a false, misleading or artificial appearance of activity in such Security on the ATS or for the purpose of unduly or improperly influencing the market price for such Security or for the purpose of establishing a price which does not reflect the true state of the market in such Security.
- (iii). *Fictitious Transactions.* No Participant, for the purpose of creating or inducing a false or misleading appearance of activity in a Security traded on the ATS or creating or inducing a false or misleading appearance with respect to the market in such Security shall:
  - a. execute any transaction in such Security which involves no change in the beneficial ownership thereof, or
  - b. enter any Order or Orders for the purchase of such Security with the knowledge that an Order or Orders of substantially the same Size, and at substantially the same price, for the sale of such Security, has been or will be entered by or for the same or different parties, or
  - c. enter any Order or Orders for the sale of any such Security with the knowledge that an Order or Orders of substantially the same Size, and at substantially the same price, for the purchase of such Security, has been or will be entered by or for the same or different parties.
- (iv). *Prohibition Against Spoofing.* No Participant shall enter any large number of Orders, RFQs or RFQ Responses of any Security on one side of the market with the intent of cancelling before execution for the purpose of creating or inducing a false, misleading, or artificial appearance of a pressure to buy (or sell).
- (v). *Dissemination of False Information.* No Participant shall make any statement or circulate and disseminate any information concerning any Security traded on the ATS which such Participant knows or has reasonable grounds for believing is false or misleading or would improperly influence the market price of such Security.



- (vi). *Prohibition Against Cross-Market Manipulation. No Participant shall enter any number of Orders, RFQs or RFQ Responses of any Security with the intent of cancelling before execution for the purpose of negotiating or executing a transaction in another market or otherwise outside of the ATS.*
- (vii). *Degradation of Technology. No Participant shall engage in any type of behavior that could adversely affect fair and orderly trading on the Platform, including degradation of its technology platform.*

**Guideline 902.**      *Excessive Sales.*

(a). *Excessive Sales Generally.* No Participant shall execute purchases or sales in any Security traded on the ATS for any account in which such Participant is directly or indirectly interested, which purchases or sales are excessive in view of the Participant's financial resources or in view of the market for such Security.

**Guideline 903.**      *Trading Ahead of Orders, RFQs or Responses.*

(a). *Prohibition Against Trading Ahead of Orders, RFQs or RFQ Responses from customers.* Except as provided herein, a Participant that accepts and holds an Order, RFQ or RFQ Response in a Security from its own customer or a customer of another broker-dealer without immediately executing the Order, RFQ or RFQ Response is prohibited from trading that Security on the same side of the market for its own account at a price that would satisfy the customer Order, RFQ or RFQ Response, unless it immediately thereafter executes the customer Order, RFQ or RFQ Response up to the size and at the same or better price at which it traded for its own account.

**Guideline 904.**      *Best Execution.*

(a). *General.* In executing customer Orders, RFQs or RFQ Responses a Participant is not a guarantor of "best execution" but must use the care of a reasonably prudent person in the light of all circumstances deemed relevant by the Participant and having regard for the Participant's brokerage judgment and experience.

**Guideline 905.**      *Monitoring and Voiding of Manipulative Transactions.*

(a). *Cancellation of Manipulative Transactions.* In addition to the disciplinary actions available to it elsewhere under these Guidelines, Cicada may cancel or void any Order, RFQ, Response or Transaction if Cicada determines, in its sole discretion, that such Order, RFQ, Response or Transaction is a manipulative operation in accordance with this Chapter or would otherwise be inconsistent with just and equitable principles of trade or with the obligation of Cicada to maintain a fair and orderly market.

(b). *Monitoring of Manipulative Transactions.* Cicada will monitor Participant usage of the Platform in order to identify breaches of the Guidelines, or any applicable laws, rules and regulations, disorderly or disruptive trading activities, or conduct that may involve Market Abuse. In the sole discretion of Cicada, any evidence suggesting inappropriate market conduct may lead to Participant suspension or removal from the Platform.

(c). *Reporting of Manipulative Transactions.* Cicada may report such breaches as it deems necessary and appropriate to the appropriate regulatory agencies, self-regulatory organizations or law enforcement official and provide such regulatory bodies full cooperation in investigating and prosecuting such behavior as warranted.





## Chapter X. Amendments

### **Guideline 1001.** Amendments to these Guidelines.

(a). *General.* Cicada may in its absolute discretion, from time to time, supplement, amend, or replace these Guidelines partially or wholly.

(b). *Notices.* Participants shall be notified of any such change to the Guidelines by notice (a “Notice”) which will be issued to all Participants giving reasonable prior notice for any material changes. Cicada may make any non-material changes without prior notice.

(c). *Notice Delivery and Validity.* Any such Notices shall supplement and form part of the Guidelines effective from the date specified in the Notice. Such notification may be made by letter, e-mail or notice on the Cicada Website describing the relevant changes or by otherwise sending to Participant an electronic copy of the amended Guidelines. Continued participation on the System (in accordance with Guideline 402) following the expiry of the notice period stated in the relevant Notice constitutes deemed acceptance by the Participant of the amendments and acknowledgement of the revised Guidelines. In the event there is no express notice period in a Notice, the effective date of any proposed amendment shall be the date 30 days from the date of the Notice.

## Chapter XI. Internal Crossing

### **Guideline 1101.** Compliance.

(a). *Conditionality.* Internal Crossing shall be conditional upon ongoing satisfaction of Cicada compliance requirements, which may include, without limitation, a requirement to evidence approvals from the Authorized User, or persons employed by, and responsible for compliance of, the relevant Participant who wishes to undertake Internal Cross Transactions

(b). *Compliance with Applicable Laws.* Each Participant must satisfy itself that it can and shall comply with any Applicable Law relating to Internal Cross Transactions as such Guidelines apply to itself or its Principals.

### **Guideline 1102.** Alerts.

(a). *General.* Internal Cross Transactions may trigger an alert through the ATS market surveillance monitoring and be subject to further scrutiny, and Participants are required to promptly assist Cicada, or any person acting on behalf of Cicada, with any enquiries arising therefrom.

### **Guideline 1103.** Internal Crossing Execution, Clearing and Settlement.

(a). *Riskless Principal Transactions.* When executing Internal Cross Transactions, a Participant who is a Subscriber (or its Principal) will face Cicada, as the riskless principal counterparty for both sides of the Internal Cross Transaction.

(b). *Permissioned Participants.* Internal Crossing is conditional upon ongoing satisfaction of Cicada’s compliance requirements, which may include, without limitation, a requirement to provide an attestation letter representing that: it is the sole responsibility of the Participant to determine the appropriate price to complete any cross, as well as any related compliance obligations that apply to any



cross (including that such Participant is not subject to rule 17A-7 and/or ERISA); and each trade is being undertaken to transfer the beneficial ownership of the bond(s).

**(c).** Rule 17A-7 and ERISA. INTERNAL CROSSING FUNCTIONALITY IS NOT COMPLIANT WITH RULE 17A-7 OF THE INVESTMENT COMPANY ACT OF 1940, AND ERISA. PARTICIPANTS SUBJECT TO RULE 17A-7 AND/OR ERISA ARE NOT PERMITTED TO EXECUTE INTERNAL CROSS TRANSACTIONS.

**(d).** Administrative Charges. The Internal Cross Transaction will be executed on the ATS at the price determined in this Guideline, and will be adjusted to reflect an administrative charge, which will be disclosed electronically to a Participant prior to or at the point of trading.

**(e).** *Internal Cross Transaction Price.* All Internal Cross Transactions are executed at a price determined by the Participant and not by Cicada. The Execution price of all Internal Cross Transactions executed on the ATS shall be determined by the Participant following one of the methods described below and shall not constitute investment advice on the part of Cicada or any of its affiliated entities. Any Internal Cross Transaction shall be executed:

- (i).* at such price of a Transaction arising as a result of the execution of an Order, RFQ or RFQ Response submitted electronically; or
- (ii).* by clear and unambiguous written instructions to execute at a specific price (i.e. not involving any element of discretion by Cicada)

**(f).** *Right of Refusal.* In all cases, Cicada reserves the right to refuse to facilitate or act as riskless principal counterpart to an Internal Cross Transaction, or to suspend the provision of Internal Crossing temporarily or permanently for any reason and without liability.

**(g).** *Cross Transaction Fails.* Cicada may cancel or void any Internal Cross Transaction in its sole discretion if the Participant does not or cannot settle either side of the Transaction. Cicada does not owe any Participants a duty of best execution with respect to Internal Cross Transactions executed through the ATS. Participants may, however, owe a duty of best execution to their Principals.

**(h).** *Clearly Erroneous Execution Policy.* The Clearly Erroneous Policy referenced in Chapter VIII and the Participant Obligations of Chapter IV shall each apply to Internal Crossing.

**(i).** *Applicable Law Compliance.* Each Participant must satisfy itself that it can and shall comply with any Applicable Law relating to Internal Cross Trades as such rules apply to itself or its Principals.

## Chapter XII. General

### **Guideline 1201.** Confidentiality.

**(a).** *General.* Cicada and Participants agree that they will not disclose to any third party or use any Confidential Information disclosed to it by the other party, except as provided in the Subscriber Agreement or the Guidelines; and that it will take all reasonable measures to maintain the confidentiality of all Confidential Information of the other party in its possession or control, which will in no event be less than the measures it uses to maintain the confidentiality of its own information of similar importance.

### **Guideline 1202.** Business Continuity Plan Disclosure Statement.



(a). *General.* Please refer to Cicada’s Business Continuity Plan (“BCP”) and BCP Disclosure Statement at <http://www.cicada.io> .

**Guideline 1203.** *Governing Law.*

(b). *Consent to Jurisdiction.* The Guidelines and their enforcement will be governed by the laws of the State of New York (without giving effect to the conflict of law principles thereof). If the parties mutually agree, disputes, claims or controversies between Participant and Cicada may be arbitrated in accordance with the rules of the Financial Industry Regulatory Authority, as they are in effect at the time of such dispute. Alternatively, actions, suits or proceedings hereunder may be commenced in the Federal or State courts of competent jurisdiction located in New York County, New York, which courts will have exclusive jurisdiction over any such action, suit or proceeding. Each party hereby agrees to commence actions, suits or proceedings only in such courts, and waives any objections based on venue, jurisdiction, or *forum non conveniens* in the event of any such action, suit or proceeding.