**Client Account Number**: [Click or tap here to enter text.] LSEG Relationship Manager to enter A Number

**Effective Date**: [10 August 2023] LSEG to insert, must be the 1st working day of a month

This Liquidity Provider Incentive Agreement (“**LPI Agreement”**), supplements and forms part of the Participant Agreement, and is entered into between:

1. **Financial & Risk Transaction Services Ireland Limited,** a company duly organized and existing under the laws of Ireland (company registration number 623891), whose registered office is at 12/13 Exchange Place, I.F.S.C., Dublin 1, D01P8H1, Ireland (“**LSEG”**); and
2. **Client Name** [Click or tap here to enter text.],   
   company registered number [Click or tap here to enter text.],   
   whose registered office is located at (address) [Click or tap here to enter text.] (**“Client”**).

## Background

LSEG operates the LSEG FX EU MTF, on which the Client is a Participant.This LPI Agreement applies to the Client’s activity on the Platform.

In consideration of the mutual covenants, promises and undertakings set out below, the sufficiency of which is hereby acknowledged, the parties agree as follows.

1. Definitions

Terms used but not defined in this LPI Agreement shall have the meaning given to them in the Participant Agreement. In this LPI Agreement, the following definitions shall apply:

| Term | Definition |
| --- | --- |
| Aggressor | The same meaning as Taker in the LSEG FX EU Multilateral Trading Facility Rule Book. |
| Aggressor Fees | The fees set out in the Incentive Rate Card in clauses 2.3 and 2.4, which are applicable to the Client when acting as the Aggressor, rather than as the liquidity provider / Maker. |
| Assumed Aggressor Fees | The meaning is given in clause 3.1. |
| Brokerage Cap | The maximum aggregate amount of Transaction Fees that the Client will be charged in a Month when acting as the Aggressor on any Order with a Short Dated Tenor. |
| Comparable Size | Qualifying Quotes that do not diverge by more than 50% from each other. |
| Competitive Prices | The sum of the levels in the book of the best bid and the best offer posted by the Client is less than or equal to five. |
| Criteria | The Rate Card Criteria, Rebate Criteria and Brokerage Cap Criteria. |
| Curve | The Client posts Qualifying Quotes in seven or more financial instruments for tenors that are equal to or greater than 1 Week for a particular currency pair. |
| Effective Date | The date set out at this start of this LPI Agreement. |
| Incentive | Collectively the Incentive Rate Card, the Rebate and the Brokerage Cap. |
| Incentive Rate Card | The rate card set out in clauses 2.3 and 2.4 that will apply to Forwards Matching Aggressor volumes if the Client meets the Rate Card Criteria. |
| Long Dated Tenors | Tenors of one week or longer generated by the Client on the Platform. |
| LPI | Liquidity Provider Incentive. |
| Month | Calendar month. |
| Qualifying Maker Volume | The meaning is given in clause 3.1. |
| Qualifying Quote | The Client posts simultaneous two-way quotes of Comparable Size and Competitive Prices in respect of a financial instrument on the Platform[[1]](#footnote-1). |
| Participant Agreement | The agreement between LSEG and the Client, pursuant to which the Client is provided access to the Platform. |
| Rebate | The meaning given in clause 3.1. |
| Short Dated Tenor | A tenor of less than one week generated by the Client on the Platform. |
| Week | “Spot a Week” on the Platform. |

1. Incentive Rate Card
   1. If the Client makes one or more Curves for at least three hours each Trading Day on at least 75% of all Trading Days in a Month (“**Rate Card** **Criteria**”), the Incentive Rate Card will apply as set out in this clause 2.
   2. LSEG will apply the Incentive Rate Card to Forwards Matching volumes where the Client acts as the Aggressor, as follows:

For the first three Months from the Effective Date, LSEG will apply the Incentive Rate Card.

Thereafter, LSEG will apply the Incentive Rate Card to the three Months following any Month in which the Client meets the Rate Card Criteria. If the Client does not meet the Rate Card Criteria in at least one of those three Months, the Incentive Rate Card will not apply from the fourth Month onwards, until the Client meets the Rate Card Criteria.

* 1. **Short Dated Tenors**

|  | Aggressor Fees (per USD $M) | |
| --- | --- | --- |
| Aggressor volume USD $B  (marginal tiers) | EUR/USD | Other currency pairs |
| 0-20 | $0.20 | $0.40 |
| >20-30 | $0.10 | $0.30 |
| >30-40 | $0.10 | $0.20 |
| >40-100 | $0.10 | $0.10 |
| >100-200 | $0.075 | $0.075 |
| >200 | $0.05 | $0.05 |

Aggressor Fees for Short Dated Tenors are calculated as follows:

1. total volume in EUR/USD;

aggregated volume for all “other currency pairs”[[2]](#footnote-2).

* 1. **Long Dated Tenors**

|  | Aggressor Fees (per USD $M) | |
| --- | --- | --- |
| Tenor | EUR/USD | Other currency pairs |
| 1 Week | $0.30 | $0.50 |
| 2 Weeks | $0.40 | $0.60 |
| 3 Weeks | $0.50 | $0.70 |
| 1 Month | $0.60 | $0.90 |
| 2-3 Months | $0.90 | $1.35 |
| 4-6 Months | $1.50 | $2.25 |
| 7 or more Months | $2.70 | $4.05 |

1. Rebate
   1. LSEG will aggregate the Client’s Maker volume in a Month across Long Dated Tenors (“**Qualifying Maker Volume**”) and will apply the Aggressor Fees to such Qualifying Maker Volume (as if the Client were acting as the Aggressor to such Transactions) to calculate the “**Assumed Aggressor Fees**”. LSEG will then apply the relevant rebate percentage set out in the table below towards the Assumed Aggressor Fees, to reduce the Aggressor Fees that would otherwise be payable by the Client in its capacity as an Aggressor ("**Rebate**”) as follows:
2. If the Client makes one or two Curves for at least three hours each Trading Day on at least 75% of all Trading Days in a Month, a Rebate of 25% will apply; and

If the Client makes additional Curves (above the initial two) for at least five hours each Trading Day on at least 75% of all Trading Days in a Month, a Rebate of 50% or higher (as set out in the table below) will apply,

(“**Rebate Criteria**”).

LSEG will apply the Rebate to the Month after which the Client meets the Rebate Criteria.

The Rebate will not exceed the Transaction Fees payable by the Client in its capacity as an Aggressor in the Month in which the Rebate applies. The Rebate for EUR/USD will be applied against Aggressor Fees for EUR/USD, and the Rebate for all other currency pairs will be applied against Aggressor Fees for “other currency pairs”.

| Number of Curves | Rebate percentage |
| --- | --- |
| 1-2 | 25% |
| 3-4 | 50% |
| 5-6 | 75% |
| 7+ | 100% |

1. Brokerage Cap
   1. LSEG will apply a Brokerage Cap of USD 25,000 towards the Client’s Aggressor Fees as follows:
2. If the Client makes two Curves for at least three hours each Trading Day on at least 75% of all Trading Days in a Month, and at least one additional Curve (above the initial two) for at least five hours each Trading Day on at least 75% of all Trading Days in a Month (“**Brokerage Cap Criteria**").

LSEG will apply the Brokerage Cap to the three Months following the Month in which the Client meets the Brokerage Cap Criteria. If the Client does not meet the Brokerage Cap Criteria in at least one of those three Months, the Brokerage Cap will not apply from the fourth Month onwards, until the Client meets the Brokerage Cap Criteria.

LSEG will apply the Brokerage Cap to the balance of the Aggressor Fees once the Incentive Rate Card and Rebate have been applied to such Aggressor Fees.

1. Term and Termination
   1. Unless terminated earlier in accordance with this clause 6, this LPI Agreement will be in force from the Effective Date until 30 June 2025 (“**Initial Term**”).
   2. Notwithstanding clause 5.1, at its sole discretion, LSEG may provide at least 90 days’ written notice to the Client to extend the Term for further 12-month periods (each such period, a “**Renewal Term**”, and the Initial Term and any Renewal Term(s) are collectively the “**Term**”).
   3. The Client may terminate this LPI Agreement by providing LSEG 30 days’ written notice.
   4. LSEG may terminate this LPI Agreement for any reason by providing the Client 90 days’ written notice.
   5. This LPI Agreement will automatically terminate:
2. on expiry or termination of the Participant Agreement, for whatever reason; or

if the Client fails to meet the Rate Card Criteria for six consecutive Months.

1. Miscellaneous
   1. LSEG will aggregate liquidity provider activity across all Matching codes (TCIDs) within the Client’s group billing structure that has been agreed with LSEG in writing in advance, and will apply the Incentive on aggregated basis.
   2. If the Client fails to meet the any of the Criteria in a Month, LSEG may at its sole discretion, elect to apply some or all of the Incentive if any of the following events occur in relation to the Client:
2. a situation of extreme volatility triggering volatility mechanisms for the majority of financial instruments or underlyings of financial instruments traded on the Platform;

war, industrial action, civil unrest or cyber sabotage;

disorderly trading conditions where the maintenance of fair, orderly and transparent execution of trades is compromised

where technological or risk management issues prevent the Client from maintaining prudent risk management practices; or

a suspension period, as referred to in Article 9(4) of Regulation (EU) No 600/2014 of the European Parliament and of the Council.

* 1. Except as expressly modified by this LPI Agreement, the terms of the Participant Agreement remain unamended and in full force and effect. The terms of this LPI Agreement shall prevail over any conflicting term of the Participant Agreement.
  2. LSEG may modify this LPI Agreement on 30 days’ written notice to the Client.
  3. Any notice required to be given under this LPI Agreement by the Client shall be given in accordance with the procedures prescribed by the Participant Agreement.
  4. This LPI Agreement shall be construed and interpreted in accordance with the governing law and jurisdiction provisions in the Participant Agreement.

The Parties have entered into this LPI Agreement on the last signature date by the parties below.

| Signed on behalf of Financial & Risk Transaction Services Ireland Limited | | Signed on behalf of [Click or tap here to enter text.] (Client Name) | |
| --- | --- | --- | --- |
|  | Signature |  | Signature |
| Click or tap here to enter text. | Print name | Click or tap here to enter text. | Print name |
| Click or tap here to enter text. | Position | Click or tap here to enter text. | Position |
| Click or tap to enter a date. | Date | Click or tap to enter a date. | Date |

1. *For example, if a bid is at the top of book (book level = one) and the offer is at the fourth level in the book, and therefore three price levels away from the top of book (book level = four), the sum of its book levels is five and the trade meets the competitive price criteria.* [↑](#footnote-ref-1)
2. *For example, if the Client qualifies for the Incentive Rate Card and trades $21B in Aggressor EUR/USD volume, the first $20B is charged at $0.20 per $M, and the remaining $1B is charged at $0.10 per $M. If the same the Client trades $31B in Aggressor volume across all other currency pairs then the first $20B is charged at $0.40 per $M, the next $10B is charged at $0.30, and the remaining $1B is charged at $0.20 per $M.* [↑](#footnote-ref-2)