

Systematic Internaliser Non-Equity Commercial Policy

Systematic Internaliser Commercial Policy – Non-Equity Instruments

Introduction

Due to the fact that as of February 15th, 2019, Atonline Limited became a Systematic Internaliser (SI) in certain liquid and illiquid bonds, hereby we present the Systematic Internaliser Commercial policy in accordance with Regulation (EU) 600/2014 (“MIFIR”) and associated applicable law and regulation (including Commission Delegated Regulation (EU) 2017/567).

The Systematic Internaliser Commercial Policy aims to set down the following:

- Financial Instruments for which the Company is a Systematic Internaliser;
- Regulatory Rules under which the Company will make quotes public;
- Commercial Rules under which the Company will provide access to its’ quotes;
- Publication arrangements; and
- Limitations rules for the quotes provided.

Product Scope

Atonline Limited is a Systematic Internaliser in all liquid and illiquid Non-Equity Instruments (bonds) belonging to a class of bonds issued by the same entity or by any entity within the same group that are considered to be TOTV. The list of such Issuers will be included in Appendixes to this Policy with the respective applicable dates. The list will be updated on a quarterly basis.

Any Systematic Internaliser activity will be subject to applicable Laws and Regulations, including any sanction programs issued by CySEC, EU, UN and OFAC.

1. Publication of Quotes

1.1. Making Quotes Public

Liquid Non-equity Instruments

The Company is obliged and hence will publish any firm quote provided in respect of Non-Equity Instruments (Bonds), where the following conditions are met:

- The Company is a Systematic Internaliser for the relevant instrument;
- The Company is requested by a client to provide a quote on the said instrument (RFQ);
- The Company agrees to provide a quote to the Client;
- The instrument for which the quote is provided has a liquid market;
- The instrument is considered to be a TOTV instrument; and
- The quote size does not exceed the SSTI.

Where the above criteria are not satisfied, Atonline will not be under the Firm Quote Publication Obligation.

Illiquid Non-Equity Instruments

Firm quotes in illiquid non-equity instruments will not be made public. The Company is obliged to disclose our most recent quote we have provided within the day of request for such instruments, only upon request by the client, if the Company agreed to provide a quote.

1.2. Publication Arrangements

For liquid non-equity instruments the Company will make its' firm quotes public on the same terms and conditions free of charge through its' official website - www.atonint.com.

2. Making Quotes Available to Other Clients

Apart from SI's obligation to make the quotes public, Atonline has an obligation to give access to such quotes to chosen groups of clients. The Company is allowed to decide, based on its commercial policy and in an objective non-discriminatory way, the clients to whom we shall give access to our quotes.

2.1. Access to Quotes

The Company will give access to its quotes, under the following conditions:

- Quotes will be available only to clients of the Company that request access;
- The client is not a Systematic Internaliser on the instrument for which the quote relates to;
- The client requested access to a quote that is still available (the quote has not been withdrawn); and
- The client-associated risks do not prohibit the Company from entering into a trade with the client under the terms of the quote.

Access to Quotes may be denied on the following factors, which we will apply in an objective and non-discriminatory manner:

- a. Credit Risk Associated with Client
Your credit risk profile could expose Atonline to undue risk.
- b. Counterparty Risk Associated with Client
Your counterparty risk profile could expose Atonline to undue risk.
- c. Regulatory Status of the Client
You yourself is categorized as SI or a Trading Venue in the same instrument
- d. Clearing and Settlement Arrangements
Your Clearing and settlement arrangements could expose Atonline to undue settlement and clearing risk.
- e. Time of Quote
In case of market conditions change or with the lapse of time of the said quote

There is no obligation to give access to firm quotes in illiquid non-equity instruments provided to other clients.

2.2. Limitations

Due to the nature of the instruments and the market conditions occurring, and with the purpose of limiting down the risk exposure of the Company, we maintain the right to impose the following limitations per quote:

1. The number of transactions the Company is willing to enter into under the quote;
2. Client specific limitations for the quote:
 - a. Credit risk associated with the client;
 - b. Counterparty risk associated with the client;
 - c. Clearing and settlements arrangements.
3. Time limitation for the quote validity.



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The Company when provides a firm quote for a liquid non-equity instrument, commits to enter only into one transaction based on that quote with the clients from the same "Client category". This means that if the client who requested the firm quote does not trade against it (or only executes part of it) then other clients within the same "Client category" may trade against it (or the remaining part of it).

Any quote published by the Company may be updated at any time and can be withdrawn under exceptional market conditions.

Any obligation derived for the Company by its status as a Systematic Internaliser, will be fulfilled during normal trading hours.

2.3. Exceptional Market Conditions

Are considered to exist where to impose on a systematic internaliser an obligation to provide firm quotes would be contrary to prudent risk management, in particular, where:

- a. the trading venue where the financial instrument was first admitted to trading or the most relevant market in terms of liquidity halts trading for that financial instrument in accordance with Article 48(5) of Directive 2014/65/EU;
- b. the trading venue where the financial instrument was first admitted to trading or the most relevant market in terms of liquidity allows market making obligations to be suspended;
- c. in the case of an exchange traded fund, a reliable market price is not available for a significant number of instruments underlying the ETF or the index;
- d. A competent authority prohibits short sales in that financial instrument according to Article 20 of Regulation (EU) No 236/2012.

2.4. How to Trade Against the Quote

If you are interested in trading against a published quote, please use your usual method of communication to contact your trader to make such request. Your trader will determine whether that published quote is available to you in accordance with the Access Criteria section above. If not, you may be offered an updated quote.

2.5. Prices

In non-equity instruments, we will show the all-in price. This means that the price that we quote may include client-specific elements such as credit charges, which may vary depending on the specific client, credit risk, settlement risk. Therefore, if you as a client want to trade based on a quote solicited by another client, these client specific elements may be different for you. This can both raise and lower the all-in price that you have to pay to trade based on the same quote.

2.6. Execution of Orders

When Atonline owes the obligation of best execution to a Client, Atonline's Order Execution Policy will apply.

Review and publication of Commercial policy

This Policy will be reviewed and updated on annual basis or when such changes occurs that are affecting the Terms of the Policy or the status of the Company as a Systematic Internaliser. The latest (current) version of the Policy will be made available on the Company's website at www.atonint.com.

Appendixes, that list the Issuers, in which Atonline is a Systematic Internaliser, will be published on a quarterly basis, defining the applicability dates.