FX Global Code

Liquidity Provider Disclosure Cover Sheet

A. INSTRUCTIONS:

All Liquidity Providers should complete this Cover Sheet in relation to their wholesale foreign exchange market making activities. Liquidity Providers can make use of the FAQs and the "Liquidity Provider Disclosure Cover Sheet Instructions" available on the GFXC website to facilitate the completion of this Cover Sheet (Disclosure Cover Sheets (globalfxc.org)). All terms used in this Cover Sheet are as defined in the FX Global Code unless otherwise stated (https://www.globalfxc.org/docs/fx_global.pdf).

B. SCOPE:

Liquidity Provider / Entity Name: Flow Traders B.V
Most Recent Date Completed: 2022.07.15

Liquidity Provider to confirm the entity / business area(s) to which this Cover Sheet applies:

> This cover sheet applies to the e-FX spot business at Flow Traders B.V. The FX business at Flow Traders is a global business with headquarters in Amsterdam.

C. KEY DISCLOSURES:

1. Capacity (Principle 8)

I.   Liquidity Provider acts as (check one):

☐ Agent
☒ Principal
☐ Both

II. If 'Both', briefly describe when Liquidity Provider acts in each capacity:

> Not Applicable

III. Liquidity Provider's disclosure regarding capacity is located here:

> https://www.flowtraders.com/sites/flowtraders-corp/files/2021-09/200922-fx-disclosures-ftbv.pdf

2. Pre-Hedging (Principle 11)

I.   Liquidity Provider ever pre-hedges (check one):

☐ Yes
☒ No

II.   If yes, Liquidity Provider ever offers clients, upon request, the option of placing an individual order specifying no pre-hedging (check one):

         ☐ Yes
         ☐ No

III.   Liquidity Provider's disclosure regarding pre-hedging is located here:

> Flow Traders does not engage in any pre-hedging activities. This means that *the* receipt of a trade intention as well as any information associated with a trade intention does not influence any pricing or hedging activity undertaken by Flow Traders prior to the acceptance or rejection of the trade intention.

3. Last Look (Principle 17)

I.   Liquidity Provider ever employs Last Look (as defined in the FX Global Code) (check one):

         ☒ Yes
         ☐ No

II.   Liquidity Provider's use of Last Look is (check all that apply):

         ☒ Symmetrical
         ☒ Asymmetrical

If Asymmetrical is used, briefly describe the circumstances:

> Flow Traders operates rejections asymmetrically unless a counterparty explicitly requests us to apply those symmetrically.

III.   Liquidity Provider's Last Look window maximum and minimum length (in m/s)

> Flow Traders provides indicative FX spot, to its counterparties across a range of electronic platforms.
>
> Based on a review of historical FX transactions entered in 2022 between Flow Traders and its anonymous counterparties to date, the last look window is on average at approximately 20 m/s, which included latency buffer (hold time), price and validation checks for risk management purpose.
>
> In adherence to the latest version of the Global FX Code, **Flow Traders no longer applies additional hold time to our FX transactions against all our counterparties**, regardless of connection types. Namely, Flow Traders will only perform the price and validation checks going forward.

Liquidity Provider may briefly describe the circumstances under which Last Look window times may change

> Flow Traders applies Last Look to identify whether trade requests are made at prices that are within our price tolerance for execution.
>
> Last Look settings will vary by counterparty based on the relationship (anonymous, semi-disclosed, bilateral disclosed), connection type, trading platform, trading patterns and other factors. Therefore Last Look settings for a single counterparty using multiple connections and trading platform could differ across these connections and platforms.
>
> Last Look settings are available on request.

IV. Liquidity Provider ever trades during the Last Look window:
   - ☒ No
   - ☐ When sourcing liquidity under a "Cover and Deal" arrangement that meets all of the characteristics set out in Principle 17 of the Code.

V. Liquidity Provider's disclosure regarding Last Look is located here:

> https://www.flowtraders.com/sites/flowtraders-corp/files/2021-09/200922-fx-disclosures-ftbv.pdf

VI. Liquidity Provider may include free form text regarding any of the above Last Look key topics, if it would like to highlight anything referenced in the main body of its disclosure attached

> In order to protect ourselves from the latency inherent in electronic communications, all FX Spot will be subject to a price check that identifies whether the quoted price is within our tolerance for acceptance ("Last Look"). Last Look may result in a rejection of your trade intention in response to the indicative price provided by us. Rejections are applied asymmetrically unless you explicitly request us to apply these symmetrically.
>
> The application of Last Look may result in counterparty's trade request to be rejected. The reason for the rejections may include but not limited to:
>
>   - Operationally incorrect trade request (failed the validation check);
>   - Requested price on a trade intention is not within a certain pre-determined threshold of the current counterparty specific price (failed the price check);
>   - For Flow Traders' risk management purpose.

D. DISCLOSURES INDEX:

Order Handling

Order Aggregation (Principle 9)

I. Liquidity Provider's disclosure regarding order aggregation is located here:

> Not Applicable. Flow Traders does not take orders.

Discretion (Principle 9)

I. Liquidity Provider's disclosure regarding use of discretion is located here:

> Not Applicable

Time-Stamping (Principle 9)

I. Liquidity Provider's disclosure regarding time-stamping is located here:

> Not Applicable

Stop-Loss Orders (Principle 10)

I. Liquidity Provider's disclosure regarding stop-loss orders is located here:

> Not Applicable

Partial Fills (Principle 10)

I. Liquidity Provider's disclosure regarding use of partial fills is located here:

> Not Applicable

Additional Disclosures

Use of Reference Prices (Principle 13)

I. Liquidity Provider's disclosure regarding use of reference prices is located here:

> Not Applicable

Markup / Fair Pricing Standards (Principle 14)

I. Liquidity Provider's disclosure regarding use of mark-up is located here:

> Not Applicable

Aggregation Services (Principle 18)

I. Liquidity Provider uses aggregation services:

☐ Yes

☒ No

II.   If 'Yes', Liquidity Provider's disclosure describing its aggregation services is located here:

Not Applicable

III.   Liquidity Provider's disclosure regarding use of liquidity sources is located here:

Not Applicable

Internal sharing of Confidential FX Trading Information (Principle 19)

I.   Liquidity Provider's high level disclosure regarding internal sharing of confidential FX Trading Information is located here:

All trade intention received by Flow Traders are processed by our trading engines, which are only accessible by certain employees who are subject to strict access control. Flow Traders does not share internally nor act on live trade intentions received. Once a trade intention is confirmed, certain information may be shared internally on a need-to-know basis for risk management and trade settlement purpose. Flow Traders may analyse information on executed trades for various purposes including but not limited to counterparty risk management and counterparty relationship management. As part of our obligations as a regulated entity, Flow Traders may share information as required or requested by our regulators, or as required by applicable law or regulation to disclose some transaction data publicly or to trade repositories.

Market Colour (Principle 20)

I.   Liquidity Provider's disclosure regarding use of Market Colour is located here:

Flow Traders does not provide Market Colour to any external third parties.