
Turquoise Global Holdings Limited (Turquoise) Liquidity Provision Scheme on the Turquoise Lit™ Order Book

Turquoise operates a Liquidity Provision Scheme (“LPS”) relating to passive executions¹ on the **Turquoise Lit™** Order Book. This document sets out the terms of the scheme and the requirements that must be met by Liquidity Provision Scheme Participants. The Liquidity Provision Scheme will be effective 2 September 2019 and will run for a year.

This document will be kept up to date as required and published on the Turquoise website.

Turquoise notes that the LPS is distinct from Turquoise’s market making scheme operated in accordance with Article 48(2)(b) of Directive 2014/65/EU (MiFID II).

Eligibility

Registration to the LPS is open to:

- a) Proprietary Trading Flow² of Turquoise Trading Members being proprietary trading firms;
- b) Proprietary Trading Flow of Turquoise Trading Members with one or more IDs dedicated solely to Proprietary Trading Flow²; and
- c) Nominated Clients³ of Turquoise Trading Members.

All LPS Participants are required to complete and return a signed copy of the appropriate declaration available in the Turquoise document library (<https://www.lseg.com/markets-products-and-services/our-markets/turquoise/information-centre/document-library>).

LPS Participants falling into b) and c) are required to provide Turquoise with a list of Trader Group(s) (FIX)/Comp ID(s) (Native) solely dedicated to the LPS. Passive trading flow sent via declared Trader Group(s) (FIX)/Comp ID(s) (Native) will be segregated and will not contribute to Turquoise Trading Members’ standard **Turquoise Lit™** Order Book passive value traded tariff.

¹Passive executions means visible portion of orders posted in the **Turquoise Lit™** Order Book that are executed against by an incoming aggressive order. Any non-visible portions of posted orders (e.g. iceberg reserve, LIS Hidden) are considered aggressive.

² Proprietary Trading Flow means flow which is solely generated from the firm’s own capital with no related clients orders.

³ Please refer to “**Turquoise Lit™** Order Book Liquidity Provision Scheme – Nominated Clients Declarations” in Turquoise document library (<https://www.lseg.com/markets-products-and-services/our-markets/turquoise/information-centre/document-library>) for the definition of Nominated Clients of Turquoise Trading Members.



Obligations

LPS Participants are required to use this application form to declare if they wish to be Liquidity Providers. The obligation is as follows:

Achieve minimum 0.5% passive market share of the total passive value traded on the **Turquoise Lit™** Order Book across all markets⁴.

If the above is not achieved, then LPS participants will be required to achieve minimum 0.5% passive market share of the total passive value traded on the **Turquoise Lit™** Order Book across the individual geographies.

Pass or failure of the above obligations is determined on a monthly basis across all markets or where applicable on individual geographies. The below incentive is only applicable when flows meet the above obligations.

Incentives

The incentive is a dedicated tiered schedule such that an eligible LPS participant will receive an improving negative fee as they progress through the tiers in any given month as per Section 2.2 of the Turquoise Tariff Schedule.

The scheme is to be run for just over a year.

Trading Member registration

Turquoise Trading Members that wish to participate in the Liquidity Provision Scheme are required to complete and return a copy of the following to sales@tradeturquoise.com:

- 1) Liquidity Provision Scheme Agreement (see overleaf); and
- 2) The appropriate Liquidity Provision Scheme Declaration, available in the Turquoise document library.

⁴ All available markets except the United-States



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Turquoise Lit™ Order Book Liquidity Provision Scheme Agreement

This form should be completed by applicants to **Turquoise Lit™** Order Book Liquidity Provision Scheme. Turquoise reserves the right to request further information or supporting documentation from applicants.

Please return the completed form to sales@tradeturquoise.com together with the appropriate Liquidity Provision Scheme Declaration.

Applicant Details

| | |
|-------------------------------|--|
| Name of Legal Entity | |
| Country of Incorporation | |
| Company Number | |
| Legal Entity Identifier (LEI) | |
| Registered Office Address | |
| Telephone | |

Please indicate your firm's eligibility to the Liquidity Provision Scheme:

- Proprietary Trading Flow of Turquoise Trading Members being proprietary trading firms
- Proprietary Trading Flow of Turquoise Trading Members with one or more IDs dedicated solely to Proprietary Trading Flow
- Nominated Clients of Turquoise Trading Members

The Applicant declares that the information provided in connection with this application for the Liquidity Provision Scheme is and will be, complete and accurate. The Applicant confirms that it has read and understood the **Turquoise Lit™** Order Book Liquidity Provision Scheme.



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| Signatures | |
|----------------------------------|----------------------------------|
| For and of behalf of: | |
| Name of Director/Partner: | Name of Director/Partner: |
| | |
| Date: | Date: |
| Signature: | Signature: |
| | |



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