

# Turquoise SwapMatch™

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## Product Annex

Effective 1 December 2017





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## Glossary

The following terms shall apply in this Product Annex. Unless defined otherwise, terms defined in the Rules shall have the same meaning in this Product Annex.

Term	Meaning
<b>Group</b>	in relation to an entity, shall mean that entity's 'group undertakings' (such term taking the meaning ascribed to it in section 1161 of the UK Companies Act 2006).
<b>Service Day</b>	a day on which the <b>Turquoise SwapMatch™</b> Service is available.
<b>Swap</b>	a total return swap entered into between two Members that is capable of referencing one or more Underlying.
<b>Trade</b>	means a trade in a Swap executed via the <b>Turquoise SwapMatch™</b> Service.
<b>Turquoise SwapMatch™ Service</b>	the <b>Turquoise SwapMatch™</b> service as described further in the <b>Turquoise SwapMatch™</b> Service Description.
<b>Turquoise SwapMatch™ Service Description</b>	the document providing further details pertaining to the <b>Turquoise SwapMatch™</b> Service that is published on the Turquoise website, as amended from time to time.
<b>Underlying</b>	a security or other instrument referenced by a Swap.

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## Rules

### 2 Core Rules

#### 2.1 Product Annex status

2.1.1 This Product Annex forms part of and is subject to the main Turquoise Rules containing the Rules. It provides for specific rules in relation to the **Turquoise SwapMatch™** Service. In the event of any conflict between the main Turquoise rulebook and this Product Annex, the provisions of this Product Annex shall apply.

#### 2.2 Available Underlyings

2.2.1 Turquoise will determine in its absolute discretion which Underlyings are eligible for the **Turquoise SwapMatch™** Service. A list of eligible Underlyings can be found on the Turquoise website.

#### 2.3 Trading Capacity

2.3.1 A Member may only execute Trades on its own behalf or on behalf of a member of its own Group. Turquoise will record Members as dealing on own account unless a Member notifies Turquoise to the contrary at the time of a **Turquoise SwapMatch™** Service run.

#### 2.4 ISDA Documentation

2.4.1 A Member must ensure that it has the relevant ISDA documentation duly in place with all counterparties with whom it may conclude Trades.

### 3 Turquoise Swapmatch™ Service

#### 3.1 Service availability

3.1.1 The **Turquoise SwapMatch™** Service will only be offered by Turquoise on Service Days as set out in the **Turquoise SwapMatch™** Service Description or as otherwise communicated to Members by Market Notice.

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3.1.2 Turquoise may in its absolute discretion suspend the **Turquoise SwapMatch™** Service in full or in relation to any specific Underlyings at any time.

## 3.2 Trade consummation

3.2.1 Once a Trade is executed using the **Turquoise SwapMatch™** Service, an obligation automatically exists between the relevant Members, subject to standard bilateral confirmation procedures in place between them. The timing and procedure of execution is set out in the **Turquoise SwapMatch™** Service Description.

## 4 Limitation of liability

### 4.1 Due diligence

4.1.1 Members hereby accept and acknowledge that they are solely responsible for their own assessment of the fitness, capacity, creditworthiness and conduct of any other Member that may be trading through the **Turquoise SwapMatch™** Service.

### 4.2 Member's liability

4.2.1 Turquoise shall not be liable or responsible for any failure, delay in performance, default or breach by Members of their obligations pursuant to any Trade. Accordingly, settlement, credit and market risks relating to any Trade shall be borne entirely by the Members party to a Trade.

## 5 Settlement

### 5.1 Orderly settlement requirements

5.1.1 Once a Trade has been executed through the **Turquoise SwapMatch™** Service, a Member shall be responsible for settling the Trade or carrying out obligations relating to the Trade. Turquoise is not responsible for any settlement activity or any other activity in relation to such concluded Trade.

5.1.2 If a Trade fails to settle for any reason whatsoever then it shall be the responsibility of the relevant Member to resolve such failure. However, Turquoise may, but shall not be obliged, to provide such assistance to the Members in order to facilitate the resolution of any Trades that have failed to settle. Where a Member fails to settle a Trade then this shall be deemed to be a breach of the Rules which may lead to disciplinary action.



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