

## AS SEB bank Foreign Exchange (“FX”) Disclosure Statement

### 1. Introduction

The purpose of this document is to describe AS SEB bank (hereinafter – SEB) sales and trading practices in the FX market. SEB considers that appropriate disclosure promotes the integrity, fairness, transparency and the effective functioning of the FX market. Moreover, SEB has committed to the principles of good practice outlined in the FX Global Code ([https://www.globalfx.org/fx\\_global\\_code.htm](https://www.globalfx.org/fx_global_code.htm)) and therefore believes that accurate description of SEB’s FX sales and trading practices would help to promote the industry best practices as outlined in the FX Global Code.

Where there is any inconsistency between this disclosure statement and terms of business or product-specific agreements in place between you and SEB, the latter shall prevail. This disclosure statement does not constitute a legally binding agreement.

This document is made in relevance to FX Global Code and provides further details and an overview of the order- and quote-handling process, pricing, information handling and other practices by SEB.

For the FX investment products, which fall under MiFID regulation, as far as it concerns order execution this disclosure statement should be read in conjunction with the overarching Best Execution Policy of the SEB (the “Policy”).

### 2. Acting capacity

SEB enters into FX transactions with you in its capacity as principal and executes the transactions on SEB’s own behalf. Acting in a principal capacity, SEB takes on one or more risks in connection with an order, including, but not limited to market and credit risk.

When managing FX orders or executing FX transactions, SEB does not act in agent, advisor, fiduciary or any other capacity and SEB does not undertake any of the duties that an entity acting such capacity would perform, unless otherwise explicitly and mutually agreed.

SEB urges you to evaluate the appropriateness of any transaction based on your own facts, circumstances, financial situation, risk tolerance and independently assess the transaction’s merits.

### 3. The order/quote handling process

SEB provides you with the possibility to submit FX transactions orders via SEB’s approved channels i.e. over the telephone (voice order) and/or electronically (via SEB’s Internetbank, Trading station or other accepted e-channels), subject to valid agreement between you and SEB. When SEB accepts an order from you or acknowledges an order, SEB will attempt on a best effort basis to handle your order in a fair and consistent manner according to execution factors as outlined below.

You may elect to transact with SEB either by giving an order to trade or by a Request For Quote (RFQ). In the latter case, SEB will provide you with a price which you may accept or not.

Market risk is transferred to you in full when the order has been filled (including partial fills). For transactions resulting from a RFQ, market risk is transferred to you in full when we have agreed on the transaction.

In order to achieve an accurate picture of market liquidity, data quotes are derived from a selection of internal and external market data sources. SEB’s interpretation of the market is distributed to clients via a number of channels both electronic and analogue. Quotes maybe customized according to SEB’s understanding of the client’s needs. Customization may be affected by the currency pair, price, size, frequency of update, or other factors.

Market orders will be executed as part of SEB’s normal market activity. SEB may aggregate or prioritize your orders at SEB’s discretion. Order aggregation means that SEB may aggregate your order with those from other clients or with transactions which it is arranging for its own account and may execute them together, although it will not do so if it is reasonably foreseeable at the time that this will operate to the overall detriment of the clients concerned. Please be aware of a risk that such aggregation may work to a counterparty’s disadvantage in certain circumstances. Where SEB aggregates an order, the combined trades will be allocated fairly between that client and the other parties whose interests have been aggregated. All parties involved will receive the same price, unless

this is not possible due to specific conditions given by you as regards the price. For such aggregated orders, which have only partially been filled, the combined trades will be allocated between the parties in a fair and equitable manner.

SEB will use its access to liquidity channels to attempt on a best effort basis to execute the full size of your transaction subject to the prevailing market conditions and your instructions. FX market volatility may result in the significant price movement from the time of receipt of an order to the time of order execution.

You should be aware that prices communicated electronically via SEB's web page, SEB's Internetbank, Trading station or other accepted e-channel do not constitute a contractual offer to trade and are subject to further review by SEB. This further review is referred to as so called "last look" feature. "Last look" is a form of economic logic and risk control mechanism integrally incorporated in SEB's systems that is used to identify whether trade requests are made at prices that are within SEB's economic tolerance for execution. In practice, it means that system may accept an order notwithstanding the market movements within certain parameters pre-set by SEB, but will reject the order if the market has moved outside those parameters. The system will further immediately communicate its decision to accept / reject your electronic offer (in full or partially).

In all cases, SEB will use reasonable endeavor's to handle orders fairly, with transparency, and in a manner consistent with the specific considerations relevant to different order types.

SEB has time-stamping policies in place for all orders accepted by SEB, including the requirement to time stamp upon acceptance and execution of an FX order.

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#### **4. Pricing**

A price quoted by SEB to you is an all-inclusive price. The price may include a spread or mark-up, which reflects SEB's counterparty risk, market risk, liquidity risk and regulatory capital requirements, amongst other things. These factors are inherent in SEB's business model. The spread or price in such cases may also reflect the creditworthiness of the client.

Mark-up applied to orders, which are linked to or set at a specified price level (e.g. limit order, stop-loss order), are notified to the clients.

#### **5. Information handling**

Your data and confidential information safety is SEB's major priority. SEB has policies and controls that are designed to protect a confidential information and the processing of the client's data. Information about the processing of the client's personal data by SEB and on transferring of the client's confidential information to third parties is laid down in the AS SEB Pank's General terms and conditions and procedure for data protection which is which is integral part of General terms and Conditions. The documents are available on the website <https://www.seb.ee>.