Last Look and Other Disclosures

Information Regarding the Use and Application of “Last Look” and Other Functions in Electronic Trading via Instinct FX, FIX API and Third-Party Electronic Trading Platforms

Bank of America (BofA) is a global financial service firm that offers electronic trading services in foreign exchange (FX) transactions (including FX spot, forward, swap, multi-leg forward and option transactions) (each a Transaction) with Bank of America, N.A. and its affiliates, including but not limited to, BofA Securities Europe S.A. an authorized investment firm (not a credit institution), authorized and regulated by the Autorite de Controle Prudential et de Resolution. BofA provides the following information regarding the automatic pre-trade controls applied to FX electronic trading and BofA Algorithms (as defined below):

Last Look

BofA, in its sole discretion, may provide customers with liquidity by streaming indicative prices. Upon receipt of an indicative price from BofA, a customer may submit to BofA an offer to execute a trade (Customer Offer). After receipt of a Customer Offer, BofA automatically evaluates the Customer Offer based on certain pre-trade controls and proprietary parameters.

One pre-trade control used by BofA is known commonly in the FX industry as “last look”. Last look is the process whereby BofA’s trading system automatically evaluates whether a Customer Offer is within BofA’s established trading parameters. Unless otherwise requested by the customer, last look is applied symmetrically in an effort to prevent both BofA and the customer from entering into Transactions at prices that do not reflect the current market.

Last look parameters may differ across trading channels based on trading automation and price aggregation that may lead to differences in Customer Offer acceptance rates.

BofA’s last look process includes a delay of approximately zero to fifty milliseconds which is used to evaluate the Customer Offer against BofA’s assessment of the current market adjusted for any applicable rate tolerance. BofA does not pre-hedge electronic orders, nor does BofA’s last look process use Customer Offer information for trading purposes.

BofA offers price improvement, where the client has requested and is able to receive improved prices on Customer Offers, as determined by BofA.

BofA applies an economic check to electronically traded FX options that may cause the rejection of an FX option Customer Offer, in the event of a move in the underlying FX spot rate beyond a threshold, as determined by BofA in its sole discretion without notice to Customer, from the level at the time BofA provided the FX option price. BofA is not obligated to accept any Customer Offer and may accept or reject a Customer Offer in its sole discretion without notice to Customer. BofA has an economic incentive when trading as principal and makes profits which are solely for BofA’s account, and incurs losses, each in connection with principal trading activity.
Automated Circuit Breakers

BofA’s electronic trading systems include automated circuit breakers, which, in the event of changes in market price levels over time, may impact customer pricing or result in the discontinuance of pricing or Customer Offer acceptance.

No Obligation to Distribute Prices

BofA is not obligated to distribute prices electronically and may, in its sole discretion, suspend, cancel or terminate any electronic trading service of the distribution of indicative prices at any time and for any reason, including as a result of market volatility or liquidity disruption. BofA may use anonymised customer order information in determining the prices that BofA provides to third parties.

BofA Algorithms

BofA offers a number of FX algorithms (BofA Algorithms), which are designed to meet different execution objectives, and, accordingly, may differ in urgency of execution, willingness to cross the bid-offer spread and use of limit orders. Customers should familiarize themselves with the intended purpose of each BofA Algorithm and their parameter controls to ensure that algorithm selection and use is appropriate to their execution objectives.

BofA’s Algorithms include default settings for liquidity source selection and other parameters that may differ across BofA Algorithms. BofA pre-selects external liquidity sources for its BofA Algorithms in its sole discretion based upon such factors as it determines relevant, including but not limited to, the algorithm’s objectives, relative source liquidity and fill rates. External liquidity sources may vary across BofA Algorithms. Customers should familiarize themselves with the default settings on the algorithm order entry ticket, which may be overridden by the customer.

BofA Algorithms route orders depending on the trading objective of the BofA Algorithm. Where customer elects to include BofA’s internal matching engine as a liquidity source on certain BofA Algorithms, orders may be routed to the internal matching engine irrespective of whether the same pricing is available on an external liquidity source. Where Customer selects an external trading venue for BofA Algorithm customer order execution, any residual amount may be placed in BofA’s internal matching engine for execution.

Customer is responsible for making its own independent decision to use BofA Algorithms and is responsible for ensuring the BofA Algorithms it elects to use are appropriate or proper for its needs based upon its own judgment and upon advice from such advisors as it has deemed necessary. Customer shall not rely on any communication (written or oral) of BofA as investment advice or as a recommendation to use BofA Algorithms, it being understood that information and explanations related to the BofA Algorithms shall not be considered investment advice or a recommendation to use BofA Algorithms. No communication (written or oral) received from BofA will be deemed to be an assurance or guarantee as to the expected results of the BofA Algorithms.

BofA has no liability related to customer’s use of any BofA Algorithms or of any price derived from any BofA Algorithm including prices provided by BofA in response to customer orders. BofA Algorithms may use information provided by third parties, including third party liquidity providers and other pricing sources which may be pre-selected by a BofA Algorithm or selected by customer. BofA is not responsible for the accuracy, completeness or appropriateness for any particular purpose of the pricing information utilized by or derived from any BofA Algorithm. The pricing information utilized or derived from a BofA Algorithm might differ from the price currently available from a third party liquidity provider or other pricing source as a result of delays in the dissemination of price updates from the pricing source or latencies in market infrastructure or BofA’s internal processing or communication systems.
**Limits and Parameters**

BofA, in its sole discretion, has the right to set limits and parameters to control a customer's use of BofA's electronic trading service and BofA's Algorithms, including controls regarding: (a) maximum request amounts and number of trading requests; (b) BofA's total exposure to customer; (c) the price at which Customer Offers may be submitted; (d) the frequency of submission of Customer Offers; and (e) other limits BofA wishes to establish.

Customer may input certain parameter controls in connection with the use BofA Algorithms, in which case, customer will be regarded as providing BofA with a specific instruction in relation to that part of the order which the parameter control manages and BofA will be regarded as having discharged its obligation if any to provide best execution where applicable in relation to that order to the extent that the parameter control removes from BofA discretion over that particular aspect of the relevant order.

**Internalization**

Internalization provides customers with the ability on certain BofA Algorithms to elect to access BofA’s internal matching engine. Where BofA’s internal matching engine and one or more external trading venues are selected, orders may be placed in the internal matching engine, irrespective of whether the same pricing is available on an external liquidity source.

**Aggregation**

BofA may aggregate customer orders with one or more other customer orders, or an order for BofA’s own account. Order fills are allocated on a price time priority basis.

**Pre-Hedging**

When trading as a principal, BofA may pre-hedge customer orders to manage risk or facilitate customer order execution. These activities may affect market prices and the availability of liquidity at levels necessary to execute your order, potentially against your interest.

**Electronic Trading Terms & Conditions**


*BofA may at any time, in its sole discretion, modify the practices described above without notice*