



BNP PARIBAS

Summary of BNP Paribas's Market Integrity framework

(published on November 15th 2021)

BNP Paribas Global Policy on Protecting Market Integrity framework:

- applies to all BNP Paribas Entities and Persons concerned. It therefore applies to all of the Bank's activities worldwide for controlling operational and regulatory risks associated therewith, as well as reputational issues.
- deals with preventing, detect and managing conflicts of interests related to market activities because the internal control system in connection therewith is, to a great extent, common to the system intended to prevent and detect market abuses (in particular, the information barriers system).
- also deals with specific regulations on Market Abuse dispositions and sets out the regulatory expectations for the Group.
- defines the type of requests where the Market Integrity Domain must be involved in the decision according to the double check principle applies.
- is the reference for the Market Integrity Domain. The Policy deals especially but not exclusively with the following regulation:
 - market abuses issues,
 - MiFID II requirements linked to market integrity,
 - conflicts of interests issues,
 - FX rules (FX Global Code),
 - transparency rules (threshold crossings) and short-selling,
 - Dodd- Franck Act,
 - SFTR,
 - benchmarks regulation and IOSCO principles,
 - Etc...
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The objective of the Market Integrity governance is to organize interactions between the Central MI Domain and MI representatives through the various operational Perimeters and Geographical Territories, in order to accomplish the Market Integrity missions in term of supervision, policies, procedures, processes, systems and organization.

Governance revolves around three types of committees: Management committees, Monitoring committees and ad hoc or specific committees.

The key missions of the Global Policy on Protecting Market Integrity are:

- **Prevent and detect Market abuses:** BNP Paribas Group has put in place Policies on the management of MNPI, the Market sounding, Benchmark contribution, recording of data..., and follows National Competent Authority good practices and recommendations. The Group has also set up an internal process in order to determine if information is an inside information or not, and to decide when this information will be disclosed to public. BNP Paribas's key actions to protect the integrity of the markets include measures to prevent, detect, report market abuses, in particular the improper dissemination or use of **Material Non Public Information (MNPI)**, price manipulation and the disclosure of false information.

- **Prevent, detect and manage COI related to market & private side:** BNP Paribas set an organization to manage the transactional conflict of interest by implementing permanent arrangements to ensure or contribute to the appropriate prevention, detection or management of Conflicts of interest situations related to market activities and Private side activities. It also set a framework to verify the robustness of the information barriers between the different activities and teams.



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- **Protect market infrastructure and transparency:** Avoid any interference that could alter the proper functioning of markets (with Market infrastructure/venues rules and transparency rules) and prevent market manipulation and/or adverse outcome for markets, by monitoring algorithmic trading and Direct Electronic Access to trading venues for Client.

- **Protect the interests of clients regarding market activities** by providing a fair service to customers regarding Market Activities. Integrity, fairness, impartiality and primacy of Clients 'interests are prominent features of the BNP Paribas rules of conduct. All BNP Paribas Persons concerned are required to comply with the Group's rules of conduct, of which the management of conflict of interest's situations is an important component.

- **Make the regulatory reporting** by collecting data at various level in order to provide a fair view of the activity and prepare a high quality of regulatory report on market integrity topics.

To achieve its mission, MI Domain:

- Defines and updates the MI Group Policies & Procedures
- Designs MI Training and promote it
- Defines and updates the MI Group permanent control framework
- Contributes to the Group's periodic reporting processes
- Oversees the regulatory reportings of the Group
- Manages Processes & Operations related to Control Room
- Monitors Market Abuse Surveillance across the Group
- Drives the Compliance MI community
- Oversees effective implementation of MI Frameworks in the Métiers/Geographies
- Provides advice on OP/Region requests

Employee awareness and training are essential elements in mitigating the risk of compliance linked to market abuse, prevention, rules for detecting market transparency and the management of conflicts of interest. The central training offer consists of mandatory training courses intended for employees most exposed to the risks of market abuse and to market transparency rules.

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