



FAQs: BARX Book

As of July 2021

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1. Introduction

BARX Book is a single dealer platform (“SDP”) owned by Barclays Capital Inc. (“BCI”) and hosted by Nasdaq’s Operations and Compliance Network (“Ocean”). BARX Book has been designed to allow clients access to Barclays’ principal liquidity. BARX Book is not an alternative trading system (“ATS”) as defined by SEC Regulation ATS. BCI is registered as a broker-dealer with the United States Securities and Exchange Commission. BCI is a member of FINRA and is subject to the regulation of the SEC, FINRA and other SROs.

2. Basic Information

- BCI is the contra party to every trade executed in BARX Book.
- BARX Book does not match agency orders against other agency orders.
- BARX Book uses the MPID “BBOK”, which is also the MIC Code.
- Trades are reported to Nasdaq Trade Reporting Facility (“TRF”).
- Client orders are not routed externally.

3. Market Data

BARX Book uses a full network of redundant direct data feeds and, in some instances the SIP to calculate the NBBO in a manner consistent with that of the Nasdaq Stock Exchange. BARX Book uses full network redundant SIP as a secondary source for a market data feed.

4. Hours of Operation

Primary Trading Session is from 9:30 a.m. EST to 4:00 p.m. EST:

- a. Orders become eligible for execution at 9:30 a.m. EST or thereafter, once both the symbol has opened on the primary market and BARX Book has received a security status code of “Open”.
- b. Orders can be sent to BARX Book starting from 8:00 a.m. EST. Orders received by BARX Book from 8:00 a.m. EST are entered into the queue and become eligible for execution on or after 9:30 a.m. EST, per the conditions specified above.
- c. Unexecuted orders intended to execute during the continuous session will be cancelled at 4:00 p.m. EST, or earlier in the event of a shortened trading day, and will not roll up into the BARX Book Closing Cross.
- d. Executions for MOC and TMOC orders will be returned post the closing cross on the relevant primary exchange,
- e. Barclays, in its sole discretion, will choose whether or not to open BARX Book in whole or in part for any reason whatsoever including, but not limited to, market conditions or technological or other issues.

5. Access to BARX Book

Clients can access BARX Book in the following ways:

- (a) Directly via a FIX order entry connection (No proprietary protocol available).
- (b) Through Barclays' smart order router ("SOR")¹ and algorithms.
- (c) Through the BARX Book tactic which offers order types to trade directly with BARX Book.

6. How does BARX Book match orders?

- a. BARX Book will match eligible orders based on price/time priority.
- b. While Barclays is the contra party on every client execution, not every client order will be eligible to interact with liquidity provided by the Systematic Principal Liquidity ("SPL") group.²
- c. As further described in response to FAQ 14 below, the identities of clients who direct orders to BARX Book may be known to Barclays' SPL group. Clients can direct orders to BARX Book using BARX Book Tactic, a direct FIX connection, or by specifically selecting BARX Book as the venue using the SOR. The SPL group, in its sole discretion, may limit bespoke liquidity to specific individual clients or to certain flow segments at any time.
- d. BARX Book also matches Barclays' principal orders against other Barclays' principal orders.

7. Does the SPL group trade against every client order entered into BARX Book?

As noted in response to FAQ 6, the SPL group may provide differentiated liquidity to both clients and principal trading desks accessing BARX Book. This bespoke liquidity may be limited due to a number of factors, among which are client trading behavior, flow segment type (e.g., direct flow versus algo / router flow), or the state of internal risk positions. The SPL group manages liquidity provision in BARX Book on a dynamic, real-time basis.

8. What order types does BARX Book support?

- a. Limit
- b. Day and Immediate or Cancel ("IOC")
- c. Pegged orders at the near, mid and far side of the NBBO
- d. Additional Liquidity IOC (Described in detail in FAQ 9.)

¹ Barclays has developed a new smart order router ("SOR") for US equities that leverages its new electronic trading platform and existing Algorithmic Trading Strategies. Please review the Smart Order Router FAQs document available at barx.com/eqdisclosures for more details.

² Systematic Principal Liquidity ("SPL") is a group within Barclays Equities Trading tasked with centralizing liquidation, minimizing execution costs, and systematically providing liquidity to BARX Book clients.

- e. Conditional and Conditional Eligible Firm orders
- f. Odd lots and mixed lots
- g. Minimum Quantity (BARX Book will not aggregate multiple orders to satisfy the min quantity instruction. BARX Book will, by default, treat any leaves quantity that falls below the min quantity as the new min quantity. BARX Book also offers the option to cancel back any leaves quantity that falls below the min quantity.)
- h. Market on Close (MOC)
- i. Targeted Market on Close (TMOC)

9. How does Additional Liquidity IOC (“ALIOC”) order work?

ALIOC is an order type that allows clients to request additional liquidity directly from the SPL group in the event there is not enough liquidity immediately available in BARX Book to satisfy the client’s order. The ALIOC request message discloses the client’s identity in addition to the symbol, side, price, full order quantity, and quantity not already matched in BARX Book. Upon receipt of an ALIOC order, the SPL group has the option to fill the order in its entirety, to partially fill the order, or to cancel the order back to the client. Use of the ALIOC order may incur additional latency.

10. How does the BARX Book Closing Cross work?

BARX Book supports Market on Close (“MOC”) and Targeted Market on Close (“TMOC”) order types. The execution of MOC and TMOC orders occurs at a single point in time and is based on that security’s closing price, which is determined by the closing price on the security’s primary exchange. Any executions that result from the Closing Cross in BARX Book are released to the client once the security has closed on its primary exchange. In the event the security does not have a closing cross on its primary exchange, no cross will occur in BARX Book for that specific security and the order will be cancelled back.

Orders may be submitted to the Closing Cross up until 3:47 p.m. EST, after which orders cannot be cancelled or amended. Shortly after 3:47 p.m. EST, the imbalance message is sent to the SPL group. At 3:48 p.m. EST, eligible orders are matched, any unmatched orders are cancelled back, and unmatched portions of partially matched orders are sent a restatement message.

The imbalance message sent to the SPL group discloses the symbol, side, and both matched and unmatched quantities. The imbalance message also discloses an ID that identifies individual BARX Book direct clients, Barclays’ principal trading desks, or if the order was sent from Barclays’ algorithms and / or the SOR. By default, BARX Book participants will have any matched and unmatched quantity from their MOC or TMOC orders included in the imbalance message. However, participants are permitted to opt out of having their matched and unmatched quantity included in the imbalance message on an order-by-order basis. As a

result, any imbalance reflected in the imbalance message to the SPL group may not represent the actual imbalance due to orders that may be resting in BARX Book where the client has opted to not include their MOC or TMOC orders in the imbalance message. Therefore, between 3:47 p.m. EST and 3:48 p.m. EST, Barclays' principal desks, including the SPL group are permitted to submit new orders to help reduce or offset any imbalance even though only the SPL group receives the imbalance message.

11. What is the difference between the Market on Close (MOC) and Targeted Market on Close (TMOC) order types?

When using the TMOC order type, the order details are immediately disclosed to the SPL group, including the aforementioned ID that identifies the individual BARX Book direct client or if the order was sent via Barclays' algorithms and / or the SOR. The SPL group then has the option to immediately provide liquidity and submit a paired order to BARX Book, or not. By default, any leaves and matched quantity will be included in the imbalance message; however, participants have the option to opt out on an order-by-order basis.

When using the MOC order type, the order details and accompanying ID are not disclosed to the SPL group in real time. The MOC order will only interact with eligible resting liquidity in BARX Book until the imbalance message is sent to the SPL group. After the imbalance message is sent, the MOC order will be eligible to pair off with any additional liquidity provided by the SPL group, as described in response to FAQ 10.

Please contact your sales and trading representative for additional information about the BARX Book Closing Cross.

12. How do Conditional Orders work?

Both client and principal trading participants are permitted to send conditional orders to BARX Book. A conditional order may match against another conditional order or match against a conditional eligible firm order. Once a potential match is found, BARX Book will send a message to the Conditional order submitter and invite the Conditional order submitter to firm up. Once the conditional order submitter firms up ("Firm-up Order") within the preconfigured match time against either a contra conditional order or a contra conditional-eligible firm order, a match can occur. During the preconfigured match time period, Firm-Up orders are treated like any firm order in BARX Book and can match with any other resting firm order or Firm-up Order submitted in response to the original conditional-to-conditional order match. When the preconfigured match time is expired the conditional order will be canceled back.

Please contact your sales and trading representative for additional information about BARX Book conditional orders.

13. Does BARX Book send Indications of Interest (“IOIs”)?

BARX Book may publish an IOI that provides potential trading interest from principal liquidity residing in the book. Barclays’ SOR may consume this IOI feed and may use the information as part of its order routing decision-making process. BARX Book IOIs may be made available to clients and vendors at Barclays’ sole discretion. Client orders are not included in BARX Book IOIs.

14. What information is available to Barclays and/or Ocean employees?

Barclays has established information barriers and procedures which endeavor to protect clients’ confidentiality. The details of these existing procedures can be found documented in our order handling instructions available at barx.com/eqdisclosures.

Barclays developers, technical and trade support personnel³ and Ocean personnel tasked with supporting BARX Book will have access to all BARX Book data for the purposes of carrying out their duties. Ocean personnel possessing such access include members of Ocean Operations, Ocean Compliance, Ocean CORE Technology, Ocean Surrounding Technology and Ocean Business & Product Management.

As described in response to FAQs 6 and 7 above, the SPL group may limit bespoke liquidity available to individual clients and / or to identifiable flow segments. Requests for anonymity may impact the way in which the SPL group provides liquidity during continuous trading and the BARX Book Closing Cross. Additionally, by default anonymity cannot be differentiated between continuous trading and participation in the BARX Book Closing Cross. A description of the anonymity settings available for each access method is set forth below.

Clients can choose to interact with BARX Book on an anonymous or disclosed basis by choosing how they access BARX Book or by electing anonymity outright. Clients can access BARX Book through the Barclays suite of algos or SOR, using the BARX Book Tactic, or sending a direct order through the Barclays SOR or through a direct FIX connection. The method that a client uses to access BARX Book will determine, by default, what information and when the information is available to the SPL group as follows:

I. Barclays Algos or SOR

Executions will be visible in real time to the SPL group. However, the client will remain anonymous and their order information will not be disclosed on trade date.

On T+1, executions will be visible to the SPL group using individual anonymized masked IDs for each client. Anonymized order data will also be available on T+1 aggregated by symbol, side, price, and order type broken out by time buckets. Clients can opt out of T+1 disclosures on executions or orders.

³ Barclays personnel described herein must be authorized, and may be employees of Barclays Capital Inc. or one of its affiliates.

II. BARX Book Tactic

Client ID, execution and order details will be disclosed in real-time to the SPL group by default. Clients may request to send BARX Book Tactic orders anonymously; in which case, the execution and order details will be disclosed in real time, but the client ID will remain anonymous. Notwithstanding any election to trade anonymously, use of the ALIOC order type in the BARX Book Tactic will always result in client ID, order and execution details being disclosed to the SPL group in real time.

III. Directed Oder through Barclays SOR

Client ID, execution and order details will be disclosed in real time to the SPL group by default. Clients may request to have the ability to send directed orders to BARX Book through the SOR anonymously; in which case, the execution and order details will be disclosed in real time, but the client ID will remain anonymous.

IV. Direct FIX Connection

Client ID, execution and order details will be disclosed in real time to the SPL group by default. Clients may request to have the ability to send orders to BARX Book through FIX connection anonymously; in which case, the execution and order details will be disclosed in real time, but the client ID will remain anonymous.

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BBFAQs v10.1 | July 2021