

Indications of Interest Disclosure

June 2019



From time-to-time, clients may receive indications of interest (“IOIs”) from BCI. BCI may communicate IOIs in a variety of ways, including through your firm’s proprietary order management system, as well as through a number of third-party vendor systems or through Barclays own proprietary systems. Those IOIs may be actionable or non-actionable or both (in whole or in part). These IOIs may also be either “natural” or “non-natural”. As the distinction between natural and non-natural IOIs is not consistent across the financial services industry and third-party vendor systems, BCI would like to provide you with a clear understanding of how we distinguish between natural and non-natural IOIs. As we use the term, a “natural” IOI is an indication representing (a) customer interest or (b) BCI’s interest to (i) liquidate a principal position established as the result of a prior customer facilitation or (ii) establish or adjust its hedging strategy. Hedging strategies may include our delta hedges and gamma hedges, and we may hedge with the same security and/or related securities. Hedging strategies also includes the maintaining of positions for the purpose of meeting expected customer demand where deemed appropriate. Therefore, resulting transactions may be executed on an agency cross basis, principal basis or a combination of these.

Barclays may, but is not obligated to always, utilize the following subcategories to categorize its natural IOIs:

- Working Order (Tag104=H): The firm has a client order in hand that is communicated electronically or verbally that may or may not be working in the market with contingencies or instructions that may prevent immediate crossing.
- In Touch With Firm Interest (Tag104=I): Represents client-communicated interest where there is no firm underlying order, but there is a reasonable expectation of interest from a customer.
- Unwind (Tag104=U): Unwinding of existing inventory which may include client facilitation, risk or central risk book interest.
- Switch/Hedge/Swap/Verses (Tag104=V): Includes principal hedging and depository receipt vs ordinary conversions.
- Position Wanted (Tag104=J): Inventory-building for the purposes of meeting expected customer demand, where the client understands that Barclays is trading such to maintain inventory in a given name, thereby reducing market impact to clients supplying inventory. For more specifics on the resulting liquidity when this qualifier is utilized please contact your Barclays Sales Representative.

Note that IOI vendors may depict the above qualifiers utilizing various tags in the various terminals. Please refer to vendors’ IOI help pages for definitions of these subclasses.

A “non-natural” IOI (also called a “Super” message) is an indication of BCI’s interest to provide you liquidity by trading as principal with you without reference to a facilitation of a customer order, position wanted trading or a hedging strategy.