



Dutch State Treasury Agency
Ministry of Finance

General Primary Dealer Conditions

Dutch State Treasury Agency

2021



General Primary Dealer Conditions

1. Definitions

In these General Primary Dealer Conditions, including the annexes hereto, terms shall be understood to have the meanings given:

| | |
|---------------------------------------|---|
| Affiliate: | With respect to each Primary Dealer, all entities directly or indirectly controlling, controlled by or under common control of such Primary Dealer, in each case where the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contractual arrangement or otherwise; |
| DDA: | Dutch Direct Auction. Uniform-price auctioning method that consists of Primary Dealers submitting bids for volume and price on behalf of clients or for their own account; |
| Designated Electronic Trading System: | Electronic Trading System designated by the DSTA after consultation with the Primary Dealers and Single Market Specialists. See <i>Annex 6 (Selection of Designated Electronic Trading Systems)</i> ; |
| DSLs: | Dutch State Loans: public, euro-denominated debt issued by the State of the Netherlands in accordance with the general terms and conditions for DSLs and the specific terms and conditions laid down for each issuance; |
| DSTA: | The Dutch State Treasury Agency of the Ministry of Finance; |
| DTCs: | Dutch Treasury Certificates: public, euro-denominated treasury bills issued by the State of the Netherlands in accordance with the general terms and conditions for DTCs and the specific terms and conditions laid down for each issuance; |
| Price Discovery: | The continuous availability to all market participants of bid and offer prices at which trades can be executed by Primary Dealers amongst each other; |
| Primary Market: | The issuance of DSLs and DTCs by the DSTA on behalf of the State of the Netherlands; |
| Primary Dealer (PD): | A financial institution which is appointed as primary dealer by the State of the Netherlands for a certain period; |
| Primary Dealer Contract: | A contract to which the State of the Netherlands and a financial institution are party and the relevant financial institution is appointed as Primary Dealer in respect of a certain period, |



| | |
|---------------------------------|---|
| | including the General Primary Dealer Conditions and the General Single Market Specialist Conditions; |
| Secondary Market: | The market where previously issued DSLs and DTCs are bought and sold; |
| Single Market Specialist (SMS): | A financial institution which is appointed as single market specialist by the State of the Netherlands for a certain period; |
| Tap auction: | Auctioning method performed in the TRS Segment provided by the Technology Provider that consists of the State of the Netherlands announcing the auction price and altering that price if needed, and Primary Dealers submitting bids stating the requested volume on behalf of their own account; |
| Technology Provider: | MTS S.p.A., a company incorporated under the laws of Italy whose registered office is at Via Tomacelli 146, 00187 Rome, Italy, VAT and company registration number 05367921003; |
| TRS Segment: | An electronic interdealer platform dedicated to Dutch government securities auction initial openings and reopening, buy-back tender offers and switch auctions between the DSTA and Primary Dealers. |

2. Privileges and obligations

- 2.1. Primary Dealers have the right to use the title of 'Primary Dealer for the State of the Netherlands'.
- 2.2. Primary Dealers have the right and are supposed to participate in DSL primary issuance taking place through Tap auctions and via DDAs. Primary Dealers shall subscribe to or participate in an issuance independently of subscription or participation by other Primary Dealers.
- 2.3. Primary Dealers are entitled to compensation for their participation in Tap auctions and DDAs in accordance with respectively fee schedules in *Annex 1 (Fee Schedule Tap auctions)* and *Annex 2 (Fee Schedule DDA)*. As mentioned in consideration b of each Primary Dealer Contract, it is in the best interest of the State of the Netherlands that DSLs are allocated adequately to end-investors. This implies that the price at which investors are being allocated in the DDA is the price at which investors actually buy the DSLs. To protect the DSTA's best interest Primary Dealers are required to deliver to the DSTA, in respect of each DDA, the DDA Allocation and Price Compliance Statement (the "Statement") in the form set out in *Annex 3 (DDA Allocation and Price Compliance Statement)*. Each Statement has to be completed and signed by the competent authority in the Compliance Department of the Primary Dealer and delivered with sufficient information as to ascertain the identity and authority of the competent authority who has signed the relevant Statement. Entitlement to DDA fees is subject to delivering this Statement in a timely manner. The DSTA reserves the right to amend the fee schedules from time to time. If and when the fee schedules are amended, they are distributed before the next Tap auction or DDA.



- 2.4. The DSTA is entitled to compensation from Primary Dealers for the provision of the TRS Segment in accordance with Annex 4 (*TRS Segment Fees*).
- 2.5. Primary Dealers have the right to strip and reconstitute DSLs at Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (Euroclear Nederland).
- 2.6. Primary Dealers have access to DTC auctions. The General Single Market Specialist Conditions apply to Primary Dealers as well.
- 2.7.
 - 2.7.1. Primary Dealers have to sign the ISDA Master Agreement (including Schedule and Credit Support Annex thereto) with the DSTA in conformity with the terms and conditions of the State of The Netherlands in order to enter into swap transactions with the State of The Netherlands, unless such swap transactions are executed via a platform to which the State of The Netherlands is also connected and as part of the rules applicable to such platform submitted for clearing to Eurex Clearing AG.
 - 2.7.2. In case a confirmation with respect to a swap transaction cannot be exchanged via customary electronic means, the Primary Dealer shall ensure that the relevant confirmation contains the elements listed in Annex 9 (*Elements for Interest Rate Swap Confirmations*). The DSTA reserves the right to amend Annex 9 (*Elements for Interest Rate Swap Confirmations*) to amend the elements that are accepted by the DSTA in respect of a confirmation regarding Euro Short Term Rate (€STR) swap transactions.
 - 2.7.3. Any partial or full termination of an existing swap transaction between a Primary Dealer and the DSTA shall be substantially in accordance with Annex 10 (*Partial and Full Termination Swap Confirmations*), containing at a bare minimum the two highlighted clauses therein.
- 2.8. Subject to a signed GMRA 2011 existing between the parties, Primary Dealers have access to a repo facility for each DSL. Under the repo facility, Primary Dealers are entitled to obtain, until the settlement date of the next issuance for the DSL concerned and up to five days before the maturity date of the DSL, part of the unsold portion of the bond via a repo-transaction with the DSTA. The minimum nominal amount for repo transactions is ten (10) million euro. The rate paid by the DSTA is at least 25 basis points below the rate charged in Bloomberg for a General Collateral transaction with the same maturity (GC repo rate). In principle, the maturity of repo-transactions is limited to overnight repo in respect of the repo facility.
- 2.9. Primary Dealers are entitled to receive, from the DSTA, all relevant public information about issuance policy and other public market operations.
- 2.10. Primary Dealers are encouraged to advise the DSTA and to participate in meetings, whether or not by telephone, between the DSTA and Primary Dealers to discuss developments in the Primary and Secondary Markets.
- 2.11. Primary Dealers inform the DSTA of developments in the financial markets and specific developments affecting DSLs, DTCs and related products. Primary Dealers are required to submit Euro Market Activity Reports in accordance with Annex 5 (*Euro Market Activity Reports*). If requested by the DSTA, Primary Dealers will co-operate with an audit of these reports. In addition the DSTA is allowed to gather information from all major data vendors and trading



- platforms on turnover and market share on DSLs and DTCs of individual Primary Dealers.
- 2.12. Primary Dealers may provide specific research support to the DSTA.
 - 2.13. Primary Dealers support a liquid Secondary Market in DSLs and promote price discovery by making a market in DSLs on a Designated Electronic Trading System. Primary Dealers are consulted regarding the choice of the Designated Electronic Trading System. Primary Dealers act in accordance with the obligations, rules and regulations applicable to Designated Electronic Trading Systems. Concerning decision-making on rules regarding DSL quotation and the publication of DSL price-information, the DSTA shall take the interest of the Primary Dealers into account. A more detailed description of the quotation obligation in respect of DSL is set out in Annex 1 (*Fee schedule Tap auction*) under the heading *Quotation obligations in DTCs*.
 - 2.14. Primary Dealers shall provide their Standard Settlement Instructions ("SSIs") before 1 January 2021 for every product (including the DDA fee) transacted between the DSTA and the relevant Primary Dealer to bbs@minfin.nl. The SSIs shall be signed by one or more duly authorised representative(s) of the Primary Dealer. Together with the signed SSI, the Primary Dealer shall provide (i) a copy of its articles of association or extract from the appropriate public registry, (ii) a copy of an identification document of the relevant duly authorised representative(s) who has signed the SSI and (iii) if applicable, the power of attorney pursuant to which the signatory is authorised to represent the relevant Primary Dealer for this purpose together with such documents as the DSTA may request to ascertain the authority of the relevant signatory of the relevant power of attorney, including a copy of an identification document of the duly authorised representative.
 - 2.15.
 - 2.15.1. Subject to other provisions of this Condition 2.15, privileges and obligations, as mentioned in these General Primary Dealer Conditions, do not apply to and cannot be extended to third parties.
 - 2.15.2. In performing their obligations in the primary market, a Primary Dealer may enter into back-to-back transactions with any of its Affiliates before ultimately settling the securities with the end investor.
 - 2.15.3. Any obligation of any Primary Dealer under these General Primary Dealer Conditions to perform activities in the primary market, to report or provide quotations may be performed by itself or any of its Affiliates, provided that (i) the obligation to deliver a Statement following a DDA shall be the sole obligation of the Primary Dealer which cannot be delegated to any Affiliate, (ii) any transactions between a Primary Dealer and its Affiliates shall be disregarded for the purposes of any reporting, (iii) for the purposes of assessing whether a Primary Dealer has complied with its obligations under its Primary Dealer Contract, the obligations performed by the Primary Dealer and its Affiliates shall be reviewed on an aggregated basis but disregard any transactions referred to under (ii), and (iv) to the extent any obligation is performed by any Affiliate, the relevant Primary Dealer shall not be discharged of its obligations under its Primary Dealer Contract.



3. General Provisions

- 3.1. The DSTA appraises Primary Dealer performance pursuant to the Primary Dealer Contract. Primary Dealers are obliged to provide information to that end at the request of the DSTA.
- 3.2. If the Primary Dealer breaches any obligation under the Primary Dealer Contract, the DSTA will notify the Primary Dealer concerned. The DSTA shall give the Primary Dealer a reasonable period within which the Primary Dealer can remedy its breach. If, at the DSTA's discretion, the breach is not remedied within that period, the DSTA has the right to suspend privileges of the Primary Dealer or to terminate the Primary Dealer Contract. The DSTA shall inform the Primary Dealer without delay.
- 3.3. If a Primary Dealer fails to pay any part of any invoice that is due in accordance with *Annex 4 (TRS Segment fees)*, provided that the Technology Provider has given the Primary Dealer a reasonable period of time to remedy such failure and payment is not subject to reasonable dispute (as determined by the Technology Provider) between the Primary Dealer and the Technology Provider, then upon request from the Technology Provider the DSTA shall be entitled to suspend such Primary Dealer's access to the TRS Segment.

4. Product range

- 4.1. Primary Dealers that are selected by the DSTA as Global Commercial Paper (CP) dealer have to sign a dealer accession letter in the form set out in the dealer agreement relating to the Global Commercial Paper Programme.
- 4.2. Primary Dealers may be selected for the issuance of a green bond. In such case, the DSTA may agree to additional terms and conditions for such issuance. For the purposes of this clause, a green bond is a bond issued in accordance with the Green Bond Principles and/or the EU Green Bond Standard and/or certified by the Climate Bond Initiative.

5. Confidentiality

- 5.1. The DSTA shall treat information provided by Primary Dealers confidentially. The DSTA shall only publish (or make public) information at the level of aggregated statistics. The DSTA has, however, the right to publish rankings of Primary Dealers, dealers of DTC and Commercial Paper, in each case, according to their primary issuance purchases and their Euro Market Activity Reports.
- 5.2. By entering into the Primary Dealer Contract, both the relevant Primary Dealer and the DSTA declare to comply with the confidentiality arrangements with respect to the Euro Market Activity Report as set out in *Annex 8 (Standard Confidentiality Arrangements in relation to Euro Market Activity Report)* and as mentioned in *Annex 5 (Euro Market Activity Report)*.



6. Correspondence address DSTA

Dutch State Treasury Agency
Room CB 3.20
P.O. Box 20201
2500 EE Den Haag
The Netherlands
Tel.: +31 70 3428006
e-mail: dsta.secretariaat@minfin.nl

7. Applicable law and jurisdiction

- 7.1. The Primary Dealer Contract and any disputes, discussions, legal proceedings or demands of any nature whatsoever arising from or in any way related to the Primary Dealer Contract or its formation (including any non-contractual disputes or demands arising out of or in connection therewith) will be governed by and interpreted in accordance with the laws of the Netherlands.
- 7.2. The Parties to the Primary Dealer Contract agree that the District Court of The Hague will have exclusive jurisdiction to hear and rule on all demands, disputes or proceedings arising from or related to the Primary Dealer Contract (including any non-contractual disputes or demands arising out of or in connection therewith) or its formation or its validity and, for these purposes, all Parties submit themselves irrevocably to the jurisdiction of that court. Excluding the jurisdiction of an arbitral tribunal or court arising under any relevant (bilateral) investment treaty or friendship treaty entered into by the State of the Netherlands.

8. Changes

The DSTA may change the Primary Dealer conditions from time to time, having a binding effect upon both parties. The Primary Dealers will be informed in advance of any such changes.



Annex 1: Fee Schedule Tap auctions

The following compensation structure will be applied to Primary Dealer participation in Tap auctions for DSLs.

1. Non-competitive bids

- 1.1. Following each Tap auction, Primary Dealers are entitled to submit non-competitive bids ("NCBs").
- 1.2. The total NCB rights for all Primary Dealers are set at 15 percent of the amount issued in each DSL issued during the Tap auction concerned.
- 1.3. Primary Dealers that have bought at least 3 percent of the aggregate amount of the DSLs issued in the Tap auction and have complied with the quotation obligation on a Designated Electronic Trading System are entitled to NCB rights.
- 1.4. The NCB rights of Primary Dealers that do not fulfil these requirements are allocated *pro rata* among the Primary Dealers that are entitled. As a consequence NCB rights of individual Primary Dealers may exceed 15 percent of their participation in the Tap auction concerned.
- 1.5. Per DSL issued, a Primary Dealer entitled to NCB rights will receive NCB rights equal to 15 percent of the amount bought by the Primary Dealers in that DSL issue plus a *pro rata* amount of any NCB rights allocated in accordance with 1.4, if any.
- 1.6. NCBs will be transacted at the weighted average price of the DSL during the tap auction concerned, as announced by the DSTA following each Tap auction.
- 1.7. After each Tap auction, and before each Tap auction on the request of the Primary Dealers, the DSTA shall communicate to each Primary Dealers the (tentative) amount of NCBs each Primary Dealers may submit. Any amount the Primary Dealer submitted on the Designated Electronic Trading System higher than the amount of NCBs allocated to the Primary Dealer will be cancelled by the DSTA.
- 1.8. Submission of NCBs may start at 12:00 noon CET on the day of the Tap auction to which they pertain, or at a time to be announced by the DSTA. Submission of NCBs shall end at 12:00 noon CET on the third working day following the Tap auction, or at a time to be announced by the DSTA, respecting the three working day period. NCBs submitted after that period shall not be accepted and shall be cancelled by the DSTA. Likewise, NCBs of Primary Dealers that do not fulfil the requirements in 1.3 are not accepted and shall be cancelled by the DSTA.
- 1.9. NCBs shall be submitted on the Designated Electronic Trading System by the DSTA as its choice for primary issuance of DSLs, or by other means approved and announced by the DSTA.

2. Quotation obligation

- 2.1. A Primary Dealer has fulfilled its quotation obligation if in each whole calendar month from and including the month of the previous Tap auction up to and including the month previous to the Tap auction concerned, the Primary Dealer has established on a Designated Electronic Trading



System a compliance score of at least 90 percent. If the Tap auction concerned and the previous Tap auction fall within the same month, the previous Tap auction will be ignored and the next earlier Tap auction will be selected until the Tap auction concerned and the selected Tap auction fall in different months. Daily compliance is calculated based only on quotes in volumes in conformity with table 1 below. Daily compliance per DSL is calculated as the time (expressed as a percentage of 6 hours) that (i) the time weighted average spread of the actual hours quoted or (ii) the average time weighted spread over the best 6 hours quoted (whichever gives the highest compliance), is in conformity with table 1. Daily compliance is calculated as the average compliance over all DSLs. Monthly compliance is calculated as the average of the daily compliance. Obvious outliers will be left out of the calculations.

- 2.2. The Primary Dealers are exempted from the quotation obligation on Eurosystem Target 2 holidays. The Primary Dealers must submit in their business plan (or any update thereof as may be requested by the DSTA) to the DSTA a calendar of holidays during which they would like to be exempted from their obligation. A calendar for only one country can be submitted per Primary Dealer. A Primary Dealer shall be exempted from its quotation obligations on the holidays reported in its business plan. Additionally, all Primary Dealers shall be exempted from their DSL quotation obligation on days on which more than half of the primary Dealers are exempted from the DSL quotation obligation. The DSTA reserves the right to exempt Primary Dealers from their DSL quotation obligation on other days at its own discretion. When exercising this right the DSTA shall inform the Primary Dealers in a timely manner. If the Primary Dealer does not submit a calendar in its business plan to the DSTA, the DSTA will use the public holiday calendar of the domicile country of the Primary Dealer.
- 2.3. In the situation where a Primary Dealer quotes on more than one Designated Electronic Trading System, only the quotes on the trading system on which the Primary Dealer has showed the best compliance score that day (when considering the total quoting performance of all DSLs) shall be taken into consideration when evaluating the fulfilment of the quotation obligation.
- 2.4. In the event that a certain Primary Dealer was not yet appointed in the calendar month preceding the auction concerned, it is assumed that it has fulfilled its quotation obligation for this auction.
- 2.5. The Primary Dealers will be informed on their compliance with quotation obligations on a daily and monthly basis. If requested by the Primary Dealers, the DSTA will co-operate in an audit of these reports. The format under which the information is provided, is set by the DSTA in consultation with the Primary Dealers and electronic trading systems.



Table 1 – Quotation obligations DSLs

| | <i>Standard Max b/o spread</i> | <i>Aggregated Max b/o spread¹</i> | <i>Minimum quantity</i> |
|------------------------------|--------------------------------|--|-------------------------|
| DSLs 1¼ years to 3½ years* | 4 cents | Max(4c; $\pi_{6h} + \sigma_{6h}$)** | € 10 million |
| DSLs 3½ years to 6½ years* | 5 cents | Max(5c; $\pi_{6h} + \sigma_{6h}$)** | € 10 million |
| DSLs 6½ years to 11½ years* | 7 cents | Max(7c; $\pi_{6h} + \sigma_{6h}$)** | € 10 million |
| DSLs 11½ years to 17½ years* | 12 cents | Max(12c; $\pi_{6h} + \sigma_{6h}$)** | € 5 million |
| DSLs over 17½ years* | 20 cents | Max(20c; $\pi_{6h} + \sigma_{6h}$)** | € 5 million |

* remaining maturity

** π_{6h} = average of the PDs 6 best hours quotes, σ_{6h} = standard deviation of the PDs 6 best hours quotes

¹ If the average of the Primary Dealers quotes is wider than the standard max b/o spread, the maximum b/o spread will be one standard deviation of the average spread of the 6 best hours quotation of all Primary Dealers that have quoted that DSL.



Annex 2: Fee schedule DDA

DDA fees are determined on a case by case basis



Annex 3: DDA Allocation and Price Compliance Statement

The undersigned, being a competent authority of the Compliance Department of the relevant Primary Dealer, hereby declares that:

- a) it is aware that it is the Primary Dealer's obligation to act in the best interest of the State of the Netherlands as set out in consideration (b) of the Primary Dealer contract;
- b) the obligation set out in paragraph (a) implies that DSLs must be allocated adequately to end-investors as mentioned in article 2.3 of the General Primary Dealer Conditions;
- c) the DSLs indicated by our institution as being allocated to end-investors in the DDA have been sold to these end-investors by our institution or any of our Affiliates;
- d) the DSLs indicated by our institution as being allocated to Treasury or Asset and Liability Management (ALM) accounts of banks in the DDA have been sold to these exact accounts by our institution or any of our Affiliates;
- e) the price for which these DSLs have been sold to end-investors by our institution or any of our Affiliates is the same as the auction price;
- f) our institution or any of our Affiliates did not do anything to circumvent or manipulate these rules; and
- g) it understands that breach of these rules by our institution or any of our Affiliates might lead to our institution not being entitled to receiving any fee.

Capitalised terms used but not defined herein have the same meaning as the meaning ascribed thereto in the General Primary Dealer Conditions.

DDA of DSL [DSL NAME]

| Nr. | Name investor | Amount allocated | Amount sold | Auction price | Selling price |
|-----|---------------|------------------|-------------|---------------|---------------|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |



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Place:

Date:

Name of Primary Dealer:

Name Compliance Officer:

Signature Compliance Officer:

[Note: Please provide sufficient information so that the DSTA can ascertain the identity and authority of the signatory]



Annex 4: TRS Segment fees

Fees payable to the DSTA in respect of the TRS Segment

- 1.1. The TRS Segment is provided by the State of the Netherlands and is operated by the Technology Provider.
- 1.2. Each month, the costs for operation of the TRS segment shall be directly invoiced to the Primary Dealers by the Technology Provider and shall constitute a charge for trades in primary auctions done in the TRS Segment in accordance with the fee schedule as provided by the Technology Provider and amended from time to time.
- 1.3. The charges above are excluding of all applicable taxes payable in respect of them, such as VAT or sales taxes. Where such taxes are properly chargeable, Primary Dealers will be responsible for paying such taxes on the production of valid tax invoices by the DSTA.
- 1.4. Primary Dealers shall pay all invoices within 30 days of receipt. If a Primary Dealer fails to pay any part of any invoice that is due, the Technology Provider shall be entitled to:
 - 1.4.1. charge interest on the overdue amount, payable forthwith on demand, from the due date up to the date of actual payment. Such interest shall accrue on a daily basis and be compounded quarterly; or
 - 1.4.2. commence proceedings against such Primary Dealer in accordance with the clause entitled Applicable law and jurisdiction of the General Primary Dealer Conditions.
- 1.5. The Primary Dealer provides consent for the handling and disclosure of information to Technology Provider necessary for the Technology Provider to perform its obligations vis-à-vis the State of the Netherlands related to the issuance of DSLs and DTCs and meet legal requirements. The Technology Provider will treat such information as confidential and comply with any data protection laws and regulations that are applicable to it.



Annex 5: Euro Market Activity Reports

- 1.1. Primary Dealers shall report their monthly turnover figures in DSLs, providing data with respect to counterparty type, location, maturity bucket and trading system instrument according to the European harmonised reporting format on the EFC-website: https://europa.eu/efc/efc-sub-committee-eu-sovereign-debt-markets/euro-market-activity-report-emar_en
- 1.2. Under the Euro Market Activity Report, the turnover figures will be reported on a trade by trade basis. The usage by DSTA of the data provided is subject to the Standard Confidentiality Arrangements as set out in *Annex 8 (Standard Confidentiality Arrangements in relation to Euro Market Activity Report)*.
- 1.3. The data is to be transmitted electronically in the format described in the Euro Market Activity Report, to tradereports@minfin.nl, duly signed on behalf of the relevant Primary Dealer.
- 1.4. The data is to be received no later than ten days after the month to which they relate.



Annex 6: Selection of Designated Electronic Trading Systems

For an e-trading platform to be eligible as a Designated Electronic Trading System, it must:

- 1.1. Be a Regulated Market, Multilateral Trading Facility or an Organised Trading Facility under the Markets in Financial Instruments Directive 2014/65/EU (MiFID II).
- 1.2. Offer access to all Primary Dealers and Single Market Specialists equally and fairly. The fee structure of the platform must be non-discriminatory; i.e. be based on objective criteria and must be made public. There should be no prohibitively high fees for market takers who are Primary Dealers or Single Market Specialists.
- 1.3. Make public current bid and offer prices at those levels which are advertised through the trading system on a continuous basis during normal trading hours on reasonable commercial terms to market participants. Bid and offer prices must be made available free of charge to private individuals at those levels which are advertised through the trading system on a continuous basis during normal trading hours.
- 1.4. Make public a list of market makers and market takers on the platform.
- 1.5. Provide the DSTA with all the market statistics needed to appraise the performance of its Primary Dealers and Single Market Specialists and to monitor compliance with their market making commitment. If requested by the DSTA, platforms must co-operate in an audit of these statistics. The format under which the statistics are provided is set by the DSTA in consultation with the Designated Electronic Trading System and the Primary Dealers and Single Market Specialists. The format and required statistics are enclosed in *Annex 7 (Format market statistics)*. The DSTA will publish a list of Designated Electronic Trading System.

For a trading system to be designated, it must:

- 1.6. Send a duly signed application form to the DSTA satisfying that it fulfils the criteria above. The DSTA appraises applications pursuant to the above-mentioned conditions.

For a trading system to remain a Designated Electronic Trading System, it must

- 1.7. Comply with the conditions under this *Annex 6 (Selection of Designated Electronic Trading Systems)*. To demonstrate compliance, a Designated Electronic Trading System shall provide all necessary information and shall cooperate in an audit of this information upon request of the DSTA. If a Designated Electronic Trading System fails to meet one or more conditions under this *Annex 6 (Selection of Designated Electronic Trading Systems)*, the DSTA brings that fact to the attention of the trading system concerned. The DSTA shall communicate to the



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trading system a period of time within which the trading system can demonstrate that it complies in full with the conditions. If, at the DSTA's discretion, the envisaged compliance is not realised within that period, the DSTA has the right to withdraw the status of Designated Electronic Trading System. The DSTA shall inform the trading system as well as all Primary Dealers without delay.



Annex 7: Format market statistics

The following describes the format of the market statistics needed to appraise the performance of the Primary Dealers. The statistics must be provided by email by the platforms to the DSTA on a daily basis, each market day before 09.00 AM CET for the statistics concerning the previous day (t-1).

The statistics must be delivered in an Excel Workbook 97-2003 file. A different sheet must be used for DTCs and DSLs. Statistics on DSLs must be reported in the first sheet ("DSLs"), and statistics on DTCs must be reported in the second sheet ("DTCs"). The statistics in both sheets must be placed in columns A to I, so that each row represents a different DSL quoted by a different Primary Dealers. (On request of the platform an example of the format will be provided in Excel).

Column A: Name of the platform

This column must provide the name of the platform.

Column B: Date

This column must provide the date to which the market statistics apply, in the format DD/MM/YY.

Column C: Name of the Primary Dealer

This column must provide the name of the Primary Dealer which has quoted the bond. For identification purposes, a specific name will be assigned and communicated to each Primary Dealer.

Column D: ISIN code

This column must provide the ISIN code for the DSL in question. (Two letters and 10 numbers)

Column E: Loan specifics

This column must provide the specifics of the loan according to the following example; NETHER 2.75 15/01/09 ; where NETHER is the code for DSLs, 2.75 is the coupon (format x.xx) and 15/01/09 is the maturity date (format DD/MM/YY).

Column F: Bucket

This column must provide the remaining maturity bucket to which the DSL in question belongs. The buckets are based on table 1 set out in *Annex 1 (Fee Schedule Tap auctions)* and must be denoted as follows;



| Bucket: | Denotation |
|------------------------------|-------------------|
| DSLs 1¼ years to 3½ years* | B |
| DSLs 3½ years to 6½ years* | C |
| DSLs 6½ years to 11½ years* | D |
| DSLs 11½ years to 17½ years* | E |
| DSLs over 17½ years* | F |

* remaining maturity

Column G: Quotation Time

This column must provide the total time the DSL was quoted on t-1, either within or outside the confinements of the quotation obligation during normal or exceptional circumstances. The required format is (H:MM:SS).

Column H: Spread I

This column must provide the time weighted average spread in basis points (2 decimals) of the best (i.e. sharpest) quoted 6 hours of the DSL, on t-1. In case the Primary Dealer has quoted less than 6 hours, the time weighted average spread of the total quoted time period (column G) must be provided here.

Column I: Spread II

This column must provide the time weighted average spread in basis points (2 decimals) of the total time (column G) the DSL was quoted on t-1. (For clarification; In case the Primary Dealer has quoted less than 6 hours, the results from columns I and H will be the same)

Remarks:

- The market statistics must be sorted firstly according to the name of the Primary Dealer (column C) and secondly according to ISIN code (Column D).
- If a certain DSL is not quoted, column G should read '0' and columns H and I should be left blank.



Annex 8: Standard Confidentiality Arrangements in relation to Euro Market Activity Report

1. Definitions

- (A) "Affiliate" means, with respect to any party, any entity or person directly or indirectly controlling, controlled by, or under common control with such party, person or entity, from time to time but only for so long as such control exists.
- (B) "Company Data" means Primary Dealer trade data for a set of ISINs provided by the Primary Dealer following the request of the DSTA pursuant to the Euro Market Activity Report, which shall be used solely for the permitted purposes set out under paragraph (E) below.
- (C) "Confidential Information" means any written, electronic or oral trade level data, including Company Data, provided by the Primary Dealer or its Affiliates to the DSTA.
- (D) "Derived Data" shall mean all data that the DSTA has developed from the Company Data through a process in conjunction with additional third party data and professional experience. For the avoidance of doubt, Derived Data shall not include any data from which the Primary Dealer or any of its clients can be identified or that can be reverse-engineered so as to show that it is originating or directly derived from Company Data.
- (E) "Permitted Purpose" shall mean:
1. The DSTA may use the Company Data to produce Derived Data that will only be incorporated in the DSTA's statistical reports or analysis in its ordinary course of business.
 2. Expressly, the DSTA may only make available and/or publish the Derived Data.
- (F) "Dispute" means any dispute arising from or connected with this Standard Confidentiality Arrangement, including a dispute regarding the existence, validity or termination of this Standard Confidentiality Arrangement or relating to any non-contractual or other obligation arising out of or in connection with this Standard Confidentiality Arrangement.
- (G) "Relevant Jurisdiction" means the laws of the country where the DSTA is established.

2. License

- (A) Pursuant to this Standard Confidentiality Arrangement, the Primary Dealer and/or all or some of its "Affiliates" may make available trade data of the Primary Dealer as requested under the Euro Market Activity Report.



(B) The Primary Dealer hereby grants the DSTA a royalty-free non-exclusive license to use the Company Data for the Permitted Purpose (as defined in section 1, paragraph (E) of this Standard Confidentiality Arrangement). This license will remain in effect until the termination of this Standard Confidentiality Arrangement, as provided for in section 5 of this Standard Confidentiality Arrangement. Following termination of this Standard Confidentiality Arrangement, the DSTA may continue to use, improve and publish any Derived Data in the DSTA's possession. The DSTA shall not delegate, assign or sub-license its rights under this Standard Confidentiality Arrangement without the prior written consent of the Primary Dealer.

3. Terms and conditions

The DSTA agrees to comply with the following terms and conditions:

- (A) The DSTA must keep the Confidential Information, as defined in section 1, paragraph (E) of this Standard Confidentiality Arrangement, confidential.
- (B) The DSTA must protect the Confidential Information with security measures and a degree of care equivalent to the higher of: (i) the measures and degree of care applied by the DSTA in respect of its own confidential information and (ii) the measures and degree of care that a prudent businessperson would use in protecting its confidential information.
- (C) The DSTA shall only be permitted to use the Company Data for the exclusive purpose stated in section 1, paragraph (E) (the "Permitted Purpose").
- (D) The DSTA shall not share the Confidential Information with any third party or other governmental or regulatory body unless required to do so by a binding court order or by applicable law or regulation provided that, to the extent permitted by applicable law, the DSTA shall promptly inform the Primary Dealer of any such requirement and all the circumstances in which any such request, order or disclosure has been made. In any event, the DSTA shall only provide that part of the Primary Dealer Data so requested which is necessary for the purposes of complying with the obligation set out by a binding court order, applicable law or regulation.
- (E) The DSTA will maintain a list of individuals within its organisation who have access to the Confidential Information and will provide the list promptly to the Primary Dealer upon request.
- (F) The DSTA will promptly notify the Primary Dealer upon a breach of confidentiality and will cooperate with the Primary Dealer in every reasonable way to prevent further unauthorised use or disclosure under the terms of this Standard Confidentiality Arrangement.
- (G) To the extent Company Data is used by the DSTA in accordance with this Standard Confidentiality Arrangement, the DSTA undertakes to use such data accurately and present Company Data in a way which is fair and not misleading.
- (H) All intellectual property rights in respect of the Company Data including copyright and trademarks shall remain with that Primary Dealer.



- (I) The obligation to maintain the confidentiality of Company Data does not extend or apply to Company Data (i) which at the time of disclosure to the DSTA was in the public domain, or (ii) which after such disclosure to the DSTA, comes into the public domain otherwise than through an unauthorised disclosure by the DSTA or their agents or advisers or by any other third party in breach of an obligation of confidentiality, or (iii) which was lawfully in the DSTA's possession or the possession of their professional advisers prior to such disclosure, as evidenced by their written records as determined by the Primary Dealer, or (iv) which lawfully comes into the DSTA's possession from a third party on a non-confidential basis, as evidenced by written records as determined by the Primary Dealer.
- (J) No variation of this Standard Confidentiality Arrangement shall be effective unless it is in writing and signed by each of the parties.

4. Governing law and jurisdiction.

The obligations arising out of or in connection with this Standard Confidentiality Arrangement are governed by the laws of the Relevant Jurisdiction. The courts of the Relevant Jurisdiction have exclusive jurisdiction to settle any Dispute arising from or connected with this Standard Confidentiality Arrangement or the consequences of its nullity. Excluding the jurisdiction of an arbitral tribunal or court arising under any relevant (bilateral) investment treaty or friendship treaty entered into by the State of the Netherlands.

5. Duration and Termination.

- (A) This Standard Confidentiality Arrangement is concluded for an indefinite period and shall be valid until terminated by either party as specified hereafter. Either party may terminate this Standard Confidentiality Arrangement by giving the other party no fewer than thirty (30) business days prior written notice specifying the date of such termination. This Standard Confidentiality Arrangement shall survive any termination of the related Primary Dealer Contract.
- (B) The obligations set out in section 3, paragraphs A, B, D, E, F, G, H and I shall survive the termination of this Standard Confidentiality Arrangement and shall (unless otherwise agreed in writing between the parties) continue to apply to any Confidential Information that was transferred to the DSTA's prior to the termination of this Standard Confidentiality Arrangement, until and unless all such information is returned to the Primary Dealer or destroyed.



Annex 9: Elements for Interest Rate Swap Confirmations

EURIBOR

General Terms:

- Trade Date
- Effective Date
- Termination Date
- Notional Amount
- Calculation Agent
- Broker
- Business Days

Floating Amounts:

- Floating Rate Payer
- Floating Rate Payer Payment Date(s)
- Floating Rate Option
- Floating rate for initial Calculation period
- Designated Maturity
- Spread
- Day Count Fraction
- Reset Date(s)
- Compounding: not applicable

Fixed Amounts:

- Fixed Rate Payer
- Fixed Rate Payer Payment Date(s)
- Fixed Rate
- Day Count Fraction
- Fixed Amount for initial Calculation Period
- Business Days

Account details:

- Account for payments to [bank]
- Account for payment to Counterparty
- Currency



Offices:

- [Bank]
- Trading Location
- Counterparty

EONIA / EuroSTR

General Terms:

- Trade Date
- Effective Date
- Termination Date
- Notional Amount
- Calculation Agent
- Broker
- Business Days

Floating Amounts:

- Floating Rate Payer
- Floating Rate Payer Period End Date(s)
- Floating Rate Payer Payment Date(s)
- Floating Rate Option
- Spread
- Day Count Fraction
- Reset Date(s)

Fixed Amounts:

- Fixed Rate Payer
- Fixed Rate Payer Period End Date(s)
- Fixed Rate Payer Payment Date(s)
- Fixed Rate
- Day Count Fraction
- Fixed Amount for initial Calculation Period

Account details:

- Account for payments to [bank]
- Account for payment to Counterparty
- Currency

Offices:

- [Bank]



Dutch State Treasury Agency
Ministry of Finance

- Counterparty
- Trading Location



Annex 10: Partial and Full Termination Swap Confirmations

PARTIAL TERMINATION CONFIRMATION

[YOUR SWAP REFERENCE]

[OUR SWAP REFERENCE]

The purpose of this notice (this "Partial Termination Confirmation") is to confirm the terms and conditions of the partial termination of the interest rate swap referenced above ("Transaction") agreed on [INSERT DATE]. This Partial Termination Confirmation amends the previous Confirmation with Trade Date [INSERT ORIGINAL TRADE DATE] with respect to the Transaction and evidences a complete and binding agreement between us as to the terms of the Transaction. This Partial Termination Confirmation together with the original Confirmation constitutes a "Confirmation" as referred to in the ISDA Master Agreement dated as of [INSERT], as amended and supplemented from time to time (the "Agreement") between you and us.

In the event of any inconsistency between this Termination Confirmation and the original Confirmation, this Termination Confirmation will govern for the purposes of the Transaction.

The definitions and provisions contained in the 2006 ISDA Definitions (the "2006 Definitions"), as published by the International Swaps and Derivatives Association, Inc. ("ISDA") are incorporated into this Partial Termination Confirmation. In the event of any inconsistency between the 2006 Definitions and this Partial Termination Confirmation, this Partial Termination Confirmation will govern for the purposes of the Transaction.

This Partial Termination Confirmation supplements, forms a part of, and is subject to the Agreement. All provisions contained in the Agreement govern this Partial Termination Confirmation except as expressly modified below.

In consideration of Party A paying a Cash Settlement Amount to Party B on or before [INSERT PARTIAL TERMINATION DATE], the Notional Amount of the Transaction shall be [NEW NOTIONAL AMOUNT].

The Cash Settlement Amount shall be [AMOUNT].

Payment of any Return Amount due from Party B to Party A whether or not resulting because of this Termination Confirmation may be suspended until such time as the Cash Settlement Amount is received from Party [A] and will not constitute an Event of Default under Section 5(a)(i) of the Agreement.



Late payment by Party A of the Cash Settlement Amount will give Party B the right but not the obligation to offset the Cash Settlement Amount against the Return Amount and any remaining or future Credit Support Balance or any other amount due.



FULL TERMINATION CONFIRMATION

[YOUR SWAP REFERENCE]

[OUR SWAP REFERENCE]

The purpose of this notice (this "Termination Confirmation") is to confirm the terms and conditions of the termination of the interest rate swap referenced above ("Transaction") agreed on [INSERT DATE]. This Termination Confirmation amends the previous Confirmation with Trade Date [INSERT ORIGINAL TRADE DATE] with respect to the Transaction and evidences a complete and binding agreement between us as to the terms of the Transaction. This Termination Confirmation together with the original Confirmation constitutes a "Confirmation" as referred to in the ISDA Master Agreement dated as of [INSERT], as amended and supplemented from time to time (the "Agreement") between you and us.

In the event of any inconsistency between this Termination Confirmation and the original Confirmation, this Termination Confirmation will govern for the purposes of the Transaction.

The definitions and provisions contained in the 2006 ISDA Definitions (the "2006 Definitions"), as published by the International Swaps and Derivatives Association, Inc. ("ISDA") are incorporated into this Termination Confirmation. In the event of any inconsistency between the 2006 Definitions and this Termination Confirmation, this Termination Confirmation will govern for the purposes of the Transaction.

This Termination Confirmation supplements, forms a part of, and is subject to the Agreement. All provisions contained in the Agreement govern this Termination Confirmation except as expressly modified below.

In consideration of Party A paying a Cash Settlement Amount to Party B on or before [INSERT TERMINATION DATE], the Termination Date of the Transaction shall be [INSERT TERMINATION DATE].

The Cash Settlement Amount shall be [AMOUNT].

Payment of any Return Amount due from Party B to Party A whether or not resulting because of this Termination Confirmation may be suspended until such time as the Cash Settlement Amount is received from Party A and will not constitute an Event of Default under Section 5(a)(i) of the Agreement.

Late payment by Party A of the Cash Settlement Amount will give Party B the right but not the obligation to offset the Cash Settlement Amount against the Return Amount and any remaining or future Credit Support Balance or any other amount due.