February 2025

Citi Electronic Execution Disclosure

The purpose of this disclosure ("Disclosure") is to clarify certain terms under which Citigroup, Inc. and its affiliates (together, "Citi") provide indicative prices to counterparties and accept or reject orders for execution of foreign exchange ("FX") and precious metals transactions (including FX or precious metals spot or forward transactions, and FX and precious metals option, FX swap or non-deliverable FX forward transactions ("Transactions")) via automated channels, including but not limited to Citi-proprietary and third-party electronic platforms and direct application programming interfaces (collectively, "Platforms").

This Disclosure supplements all other relevant disclosures, terms of dealings and agreements relating to counterparty use of the Platforms to submit requests to trade with Citi in the Transactions.

To the extent that counterparties request to enter into Transactions with Citi via the Platforms and except as otherwise expressly agreed between Citi and its counterparties (or otherwise provided in other applicable Citi terms of dealing or disclosures or the terms of participation specifically applicable to the relevant Platform) or otherwise required by law or regulation, it will be on the basis of the terms disclosed herein.

Citi, acting as a market maker on a principal basis, provides liquidity via the Platforms by streaming indicative prices to its counterparties. When a counterparty submits a request to trade at a price electronically streamed by us or submits a request-for-stream or request-for-quote to us electronically, this request may be subject to a series of pre-trade checks performed by our deal acceptance logic to determine whether or not we will accept the request. These pre-trade checks, which may delay acceptance or rejection of a request to trade, are referred to in this Disclosure as "last look".

Citi has the discretion to respond to a quote via a Platform manually, including through means other than Electronic Trading and outside of the last look process. For example, a trader may manually respond to a request for quote using an electronic Platform, which is not Electronic Trading and therefore not subject to the last look process described herein.

Citi's use of last look is dynamic. It has evolved over time and Citi expects that it will continue to evolve. The following describes Citi's current implementation of last look.

Why does Citi implement last look to counterparty trade requests?

Last look at Citi is implemented for the following primary reasons:

1. Citi indicates prices to a global counterparty base, latencies inherent in electronic trading can cause requests to trade and indicative quotes to become stale. Last look ensures Citi can verify the price at which the trade request was made remains consistent with the current price available to the requesting counterparty.

2. Citi checks the credit status of its counterparties and Citi's credit exposure to the counterparty. Citi also checks the trade request is appropriate from an operational perspective e.g. clients are permissioned for particular legal entities and currency pairs.

When and how does Citi apply last look?

Last look is applied by Citi to a request to trade at an electronically streamed price as well as to a request for stream (RFS) or request for quote (RFQ) that is submitted to Citi electronically, although the parameters and application of last look may differ across transaction types and Platforms.

Citi's last look is broadly comprised of two parts, a validity check and a price check. The validity check confirms the trade is appropriate from an operational perspective and that there is sufficient counterparty credit available to enter the trade. The price check confirms that the price at which the trade request was made remains consistent with the current counterparty specific[1] price available to the requesting counterparty. If one or both of these checks fails, the trade request will be rejected.

Is Citi's last look applied symmetrically?

Citi's last look is symmetric. If a price moves beyond the counterparty specific threshold applied by Citi's deal acceptance logic, Citi will reject the trade regardless of whether such movement is in the counterparty's or Citi's favour.

How long does Citi's last look check typically take?

The typical time required to perform Citi's last look check for spot FX trade requests is between 0 and 15 milliseconds (in some instances this time period may be longer due to circumstances beyond our control e.g. system and network latencies).

Citi does not incorporate a delay that is additional to what is required to complete the price and validity checks, sometimes referred to as an 'additional hold time'.

Does Citi inform counterparties why a particular trade request was rejected?

Citi endeavours to provide a clear reason for rejection on the reply to the counterparty trade request. In the event you do not receive a reject message or would like further information on the reason for the rejection please contact your Citi sales representative.

Does Citi use information about a pending trade request whilst it is subject to last look to influence its pricing and hedging decisions?

No. While a particular counterparty trade request is pending, subject to completion of Citi's last look checks, Citi does not engage in any trading activity on the basis of that specific trade request or utilise that information for the purposes of adjusting its pricing.

Where can I direct further questions?

If you have questions concerning this Disclosure or Citi's Electronic Transaction practices more generally, you should consult your Citi sales representative.

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[1] Price movement thresholds may vary by counterparty and can be updated without notice