

FX Global Code¹ (the “Code”) Disclosure Statement

The Bank of East Asia, Limited (“**BEA**”) is providing clients with this disclosure statement in order to disclose relevant practices of BEA as it relates to its participation in the wholesale foreign exchange (“**FX**”) market. The Code was initiated by the Basel Committee and developed in a partnership between central banks and market participants from 16 jurisdictions around the globe. It aims to promote a robust, fair, liquid, open and appropriately transparent FX market. BEA conducts its business in compliance with all applicable laws and supports industry best practices, including those set out in the Code.

Trading Capacity

When BEA acts in a principal capacity in respect of FX transactions, it acts as an arm’s-length party in relation to its customers. It does not act as agent, fiduciary, financial advisor or in any similar capacity on behalf of a customer and thus does not undertake any of the duties that an entity acting in that capacity ordinarily would perform, unless otherwise explicitly agreed between BEA and the customer. Counterparties are expected to evaluate the appropriateness of any transaction based on the counterparty’s own facts, circumstances, risk tolerances and its assessment of the transaction’s merits.

Order Handling

All orders are accepted and worked in the order in which they are received by an execution channel (such as voice or electronic). This means that two orders in the same direction and at the same level will be worked on a first come first served basis. Unless otherwise specifically agreed, BEA will exercise its reasonable discretion in accordance with its internal policies when deciding which orders it would be willing to accept and execute. Execution of orders is dependent on market conditions and BEA’s own risk appetite.

Conflicts of Interest

Unless otherwise agreed, any firm or indicative price quoted by BEA to a client is an “all-in” price, inclusive of any margin applied to the price at which BEA may be able to transact in the market, whether the price is quoted electronically or by sales, trading or other personnel. Such price will be inclusive of any mark-up, costs or fees associated with the transaction. Factors taken into account may include the size and nature of the transaction, the execution method, the prevailing market liquidity and the counterparty resource usage. It would not be unusual for BEA to hold positions or trade in a way that may not be aligned with the objectives of an individual customer. BEA has policies and procedures to manage and mitigate potential conflicts of interest. When conducting these activities, BEA seeks to avoid undue market impact to the extent consistent with its trading and risk management needs and objectives.

This disclosure statement may be updated from time to time when required.

¹ https://www.globalfx.org/docs/fx_global.pdf