

General terms of execution for the foreign exchange market and interest rate derivatives



Client information document

September 2024

Background

The Fédération des caisses Desjardins du Québec (the "FCDQ") is committed to following the best execution practices outlined in the FX Global Code (the "Code") and all matters related to derivative regulations. The FCDQ is committed to conducting its foreign exchange and derivative market activities in a compliant manner to favour a liquid, robust, accessible and adequately transparent market.

As a principal in foreign exchange and derivative markets, the FCDQ offers a wide range of products for spot and futures trading, non-deliverable forward contracts, swaps and options. The FCDQ acts as an agent for certain emerging spot transactions for which it does not have a current account.

The purpose of this document is to disclose the FCDQ's general terms of execution for foreign exchange (FX) market and derivative trading activities.

It is not an exhaustive statement of all FCDQ practices and should not interfere with applicable laws and regulations. It's available on the Desjardins website ([xxx + lien](#)).

Transaction execution

The FCDQ executes its clients' FX and derivative market transactions, taking into account market conditions and available liquidity on its trade execution tools. These transactions may be sent through one of the communication channels approved by the FCDQ.

Before making a transaction, the FCDQ must make sure that the instructions come from a person previously authorized by the client to carry out transactions in their account. Depending on the traded product, the FCDQ must also ensure that authorized credit limits comply with internal guidelines.

The FCDQ reserves the right to reject a client's transaction request at any time if it is deemed inappropriate, could cause harm to the organization or could disrupt the market.

The client is responsible for clearly communicating all the parameters of the transaction when they send it to the FCDQ so that it can be executed in accordance with the client's expectations.

Acceptable communication channels

- Meeting with a representative
- Phone call¹
- Chat through tools recognized in the financial sector, such as Bloomberg
- À noter que l'envoi d'instructions de transaction par courriel, bien qu'accepté par la FCDQ, est non recommandé puisqu'il n'est pas possible de garantir l'exécution selon les paramètres définis par le client en raison des délais de traitement incertains.

1. All calls related to trade execution requests are recorded.

Market transactions

Market transactions are generally executed on the spot, based on market conditions at the time of execution. As a general rule, this type of transaction is processed on a first come, first served basis.

The FCDQ reserves the right to consolidate multiple transactions to give clients access to attractive offers. The FCDQ will always process clients' orders in a fair and transparent manner that does not cause market harm.

Pre-hedging

The FCDQ may use pre-hedging strategies, unless the client is opposed. This judgment is left to FCDQ experts who evaluate various factors such as the organization's exposure to the market risk associated with the transaction, the importance of the transaction in relation to available market liquidity, the time of day or specific conditions that could negatively impact market liquidity, etc.

Where possible and at the client's request, when conditions justify pre-hedging, the FCDQ agrees to inform the client of the potential impact of the order on market liquidity and price.

Order types

Stop-loss order

The FCDQ processes stop-loss orders based on client-defined parameters such as benchmark price, order amount, time and trigger threshold, and market conditions at the time of execution. Please note that the execution rate guarantee cannot be sent to the client for this type of order.

Take-profit order

The FCDQ executes take-profit orders only when the price and volume reach the client's desired market level. These orders will be executed at the agreed price and volume.

Product pricing

Unless otherwise agreed with the client beforehand, the FCDQ discloses a single price that includes all transaction fees for all types of FX market and derivative instrument transactions. This price includes the difference between the purchase and sale price, the execution fees on the FCDQ's various transaction tools, transaction settlement fees, other fees paid to third parties involved in the transaction, and the specified profit margin, which takes into account various factors, including:

- The organization's transaction risk
- Transaction volume
- Order volume and deadline
- Prevailing market conditions, including liquidity
- Sophistication of the traded product
- Client's credit rating

Transactions terms may change according to market instructions or financial institution regulator instructions. The FCDQ is responsible for monitoring changes to standards and regulations for each transaction.

Negotiation on electronic platforms

Since the FCDQ performs a last look during trading activities, the prices published on its online platforms are for information purposes only.

FCDQ transaction applications have predefined tolerance thresholds that mitigate market exposure risks when deciding whether to complete the transaction. These controls are designed to ensure compliance with internal and regulatory frameworks on credit risk, settlement risk and market risk.

The FCDQ will also validate the transaction price by checking the transaction price against the current price. We reserve the right to perform price consistency checks and reject transactions that exceed market rates at any time.

En tout temps, la FCDQ se réserve le droit d'accepter ou de rejeter une demande de transaction susceptible de perturber le marché ou de créer un préjudice à l'organisation.

Personal information protection

The FCDQ considers personal information protection to be a priority. This is one of the reasons why we've implemented a personal information protection program to guarantee optimal and secure use of personal information for clients, in accordance with professional conduct and compliance rules, and privacy rules and policies.

Conflict of interest

The FCDQ's conflict of interest management framework refers to mechanisms designed to prevent, identify, assess, mitigate and disclose conflicts of interest. All situations that could give rise to a real, potential or perceived conflict of interest are identified and addressed in accordance with applicable internal policies and directives.

Complaint handling

We're committed to offering quality service that meets our members' and clients' highest expectations. In the event of a dissatisfaction, suggestion or comment, a complaint handling team communicates, analyzes and reports the results in keeping with the prescribed timeframe as closely as possible.

[Comments, dissatisfactions and complaints | Desjardins](#)

Accepting the general terms of execution

The general terms of execution for FCDQ orders are reviewed at least once a year, or more frequently if market conditions and the regulatory environment change significantly. As a result, this document is subject to change based on various factors.

Revision tracking

| Version | Update | Approved by |
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Disclaimer

All information about financial instruments is provided as is, for reference purposes only, even though it's based on reputable and reliable sources. This communication is not an offer or solicitation by the FCDQ to buy, sell or subscribe to financial instruments or services or securities (including banking, investment or insurance products) nor a formal transaction confirmation.

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