

Morgan Stanley Commercial Policy

1. Introduction

Morgan Stanley & Co. International Plc (“**MSIP**”) and Morgan Stanley Europe SE (“**MSESE**”) (together, “**Morgan Stanley**”) have opted in to be systematic internalisers (“**SIs**”) for all equity and equity-like (Shares, ETFs and Depository Receipts) instruments admitted to trading on a UK trading venue in respect of MSIP and an EU trading venue in respect of MSESE.

Morgan Stanley’s SIs are subject to Article 17 (*Access to quotes*) of UK MiFIR or EU MiFIR which prescribes how SIs may:

- (i) decide which clients they give access to quotes; and
- (ii) limit the number the number of transactions from the same client which they undertake to enter at the published conditions.

This policy provides clients with appropriate information on access to quotes published by Morgan Stanley when acting as an SI.

2. Market Segment Identifier (MSSI & MESI)

MSIP’s SI has the Market Segment Identifier ‘MSSI’, which is an ISO registered segment MIC under the ‘MSIP’ operating MIC.

MSESE’s SI has the Market Segment Identifier ‘MESI’ under the ‘MSEU’ operating MIC.

3. Equity and Equity-like Instruments

3.1 SI Quoting

Liquid Instruments

Where Morgan Stanley is an SI in instruments deemed liquid by the FCA in respect of the UK or ESMA in respect of the EU, Morgan Stanley will publish a continuous firm two-way quote at 10% Standard Market Size (“**SMS**”). Quotes from MSIP or MSESE will be based on the UK or European Best Bid and Offer as relevant to their respective regions and regulatory requirements, to ensure it reflects prevailing market conditions. Such quotes will be available to all subscribers to the Cboe market data feed.

Illiquid Instruments

For instruments deemed illiquid by the FCA in respect of the UK or ESMA in respect of the EU, Morgan Stanley will provide quotes directly to individual clients (“**Private Quotes**”) in response to client requests. Private Quotes will be firm two-way quotes of at least 10% SMS.

Exceptional Market Conditions

Morgan Stanley may not quote during exceptional market conditions.

3.2 Access to SI Quotes

Clients are not tiered in terms of access to SI quotes.

Continuous SI Quotes on Cboe

Clients who wish to directly access continuous quotes made available via Cboe may do so via a Morgan Stanley high-touch representative. For such orders/requests that are:

- **up to 10% SMS**, Morgan Stanley commits to fill a single order per client at the quoted price or better;
- **greater than 10% SMS but less than SMS**, Morgan Stanley's commits to fill a single order/request per client but only up to 10% SMS (again, at the quoted price or better); or
- **above SMS**, Morgan Stanley has discretion whether to provide a quote which may be at a different price to the continuously quoted price.

SI Quotes for Illiquid Instruments

Morgan Stanley will fill orders received in response to Private Quotes as defined above.

3.3 SI Hours and Modes of Operation

The Morgan Stanley SI will provide continuous quoting as outlined in the SI Quoting section between 07:00 GMT and 16:40 GMT, in line with the continuous trading hours of the primary markets of issuance for each instrument. During this time, quotes for individual instruments will be available via Cboe market data feed, except during periods of exceptional market conditions or periods where the primary market is not in continuous trading, including auctions. Depending on the mode of access, clients may be able to execute trades with the Morgan Stanley SI outside of continuous quoting hours. For the purposes of EU RTS 27 (to the extent applicable and in force), the Morgan Stanley SI will operate as a "main session" trading platform and will not conduct Auctions.

3.4 SI Venue FIX Messaging

Where fills are provided from Morgan Stanley's SI, the execution platform is designed to send back the last market of "MSSI" or "MESI" in FIX tag 30 to clients trading over FIX. In addition to providing the specific venue of execution in tag 30, Morgan Stanley's FIX interface is designed to populate the order attribute tag 574 as "9" to fills coming from Morgan Stanley's SI and use tag 20073 to specify whether a fill is indicative or actual. Where trading via Morgan Stanley's electronic platform (either direct MSET client trading or client orders traded manually by Morgan Stanley's high-touch trader), we will make available tag 2405 to indicate the category of liquidity that clients have interacted with.

There may be scenarios where Morgan Stanley executes trades under an exemption to the UK or EU Share Trading Obligation and is therefore permitted to trade outside a UK or EU Regulated Market, MTF or Systematic Internaliser. In these situations, Morgan Stanley may provide OTC fills with a last market indicator of "MSIP" or "MSEU". In such circumstances, if Morgan Stanley is an SI in the instrument, the trade reporting obligations remain unchanged (i.e., as if the execution had occurred within the Morgan Stanley SI).

Morgan Stanley will use FIX tags 8013, 8014 and 855 to provide clients with relevant trade qualifiers such as whether the execution price was subject to specific conditions or price improvement relative to our public quote. For further information on MiFID II-related FIX tag changes, clients should contact their usual Morgan Stanley representative.

4. Designated Reporter Regime (DRR) and Designated Publishing Entity (DPE)

MSIP and Morgan Stanley Bank International Limited (MSBIL) have registered with the FCA as a Designated Reporter (DR). The DR status will apply to all of MSIP and MSBIL's reportable activity across all financial instruments. MSIP/MSBIL is responsible for reporting all trades executed with counterparties not already registered as a DR. Where the MSIP/MSBIL trades with another DR, the seller will assume reporting obligations.

MSESE has registered with the BaFin as a Designated Publishing Entity (DPE). The DPE status applies to all of MSESE's reportable activity across all financial instruments. MSESE is responsible for reporting all trades executed with counterparties not registered as a DPE. Where the MSESE trades with another DPE, the seller will assume reporting obligations.