

## **INDICATIONS OF INTEREST AND TRADE ADVERTISEMENTS**

BNP Paribas Securities Corp (BNPPSC) uses different types of messages to communicate trading interest to its institutional customers known as “indications of interest” or “IOIs” and trade advertisements. These messages must be truthful, accurate and not misleading. They are communicated using Financial Information eXchange (“FIX”) through market data providers (e.g., Flextrade, Bloomberg) and are used to solicit, indicate an interest in, or advertise a securities transaction and may contain the security name/ticker, buy or sell indication, capacity, prices and/or share amounts. IOIs communicated by BNPPSC may be actionable or non-actionable, and these IOI’s do not reveal all of the material terms of the order (*i.e.*, size, stock, price, and quantity). This means they are subject to market conditions and verbal communication between the customer and trading desk and should not be considered as quotes or orders since BNPPSC is under no regulatory obligation to execute a transaction and assumes no responsibility to maintain and/or update the information.

BNPPSC assumes that you have consented to our use of IOIs or Trade Advertisements in connection with the execution of your orders unless you advise us otherwise. Please note that if BNPPSC communicates an IOI based on your orders, we will not reveal the material terms of your order (*i.e.*, size, symbol, price, quantity). Additionally, BNPPSC customers may, at their discretion: (1) decline to have their orders and/or trading interests indicated out; (2) opt out of receiving specific types of IOIs referenced below; and/or (3) choose not to receive any such communications. Please contact your BNPPSC sales representative for system coordination.

### **Types of Indications of Interest**

**Natural:** Natural indications of interest are generally used to communicate trading interest related to a live client order (“bona fide interest”). In an effort to provide additional clarity when communicating IOI’s using the Flextrade, Bloomberg System, BNPPSC may use certain modifiers:

- **Customer Interest** – BNPPSC is representing a client’s interest in hand to buy or sell a security, including an order for a broker-dealer, which is submitted on behalf of or for the benefit of a client of such broker-dealer.<sup>[1]</sup>

**Non-Natural:** A Non-Natural indication of interest (“Super IOI” or “House IOI”) is generally used to solicit/facilitate the Firm or an affiliate’s trading interest unrelated to a client order. When BNPPSC advertises Non-Natural trading interest it is communicating its interest to purchase or sell although it is under no obligation to enter into the trade.

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<sup>[1]</sup> Under SEC Rule 606(b)(3), a broker is obligated to provide a customer a report (requested by the customer) that includes the number of “actionable indications of interest and the venue or venues to which they were exposed.”