



Participant Application Form

ALGO & DEA Addendum





Participant Application Form – ALGO & DEA Addendum

Please complete and return this Participant Application Form ALGO & DEA Addendum (“**Addendum**”) if your firm (the “**Applicant**”) wishes to engage in Algorithmic Trading and/or Provision of DEA Services as a trading participant of the Cboe Europe Markets.

This addendum applies to both Cboe Europe Limited (“**Cboe UK**”) or Cboe Europe B.V. (“**Cboe NL**”) or both (collectively “**Cboe**”).

The Applicant is required to provide Cboe with the information below which is necessary for Cboe to process the application (the “**Participation Application**”).

Cboe reserves the right to request additional information or supporting documents.

Applicant Information

Company Name:

Registered Address:

City:

Country:

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Oversight of Algorithmic Trading Activity

Please describe your policies and procedures with regards to the following:

Governance arrangements for the deployment of new, and amendments to existing, algorithmic trading facilities.



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First- and second-line oversight arrangements for the real time monitoring of both DEA and algorithmic trading activity



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Post trade surveillance and monitoring arrangements for both DEA and algorithmic trading activity

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Human resources allocated to the oversight of your DEA and algorithmic trading activity

Date of most recent annual self-assessment, subsequent internal audit review and senior management approval

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Kill switch functionality overview for both DEA and algorithmic trading activity



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Summary of pre-trade control framework and associated thresholds for both DEA and algorithmic trading activity.
Please specify where this relates to firm's internal systems and/or use of Cboe provided risk controls.

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What initiatives are underway to enhance the control framework for algorithmic trading?

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Machine Learning and Artificial Intelligence (AI)

Machine learning (ML) refers here to a subset of artificial intelligence (AI) that focuses on enabling computers to learn from data without being explicitly programmed, in order to analyse data, identify patterns, make predictions or decisions and improve performance over time with more data and experience.

In what ways have the above previously described governance and control frameworks been enhanced to reflect the use of AI and Machine Learning?

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Confirm what aspects of the pre- and post-trade control framework remain applicable to orders generated from a process in which AI is involved?

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What specific controls exist to ensure that AI cannot generate an algorithm that engages in manipulative behaviours
(e.g. layering/spoofing/pinging etc)

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AI usage in the following: algo logic design, algo parameterisation, order generation, order placement

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Provision of Direct Electronic Access (DEA) Services

Due diligence arrangements for prospective DEA clients.

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Periodic review arrangements for DEA clients



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Number of clients designated as DEA with access to our venue

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DECLARATION

The Applicant hereby confirms that:

(i) The information provided in this Addendum is accurate and complete and the Applicant undertakes to advise Cboe of any changes to the information provided; and

(ii) It has read and understood, and agrees with the Participant Agreement Standard Terms & Conditions for Cboe UK and Cboe NL, as available on the website <https://markets.cboe.com/europe/equities/support/> (the “Participant Terms”). All relevant staff at the Applicant have read and understood the Cboe Rules. All new staff at the Applicant who access the Cboe Markets and/or have compliance, surveillance and regulatory functions will also be made aware of the Cboe Rules and will be required to comply with their provisions. In completing, executing and submitting this Addendum to the Application Form, the Applicant agrees that, if it is approved by Cboe, the Applicant shall comply with and be bound by the Participant Terms and Cboe Rules.

Signed on behalf of the Applicant:

Name (PRINTED):

Title:

Date:

Signature:

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RETURN OF THE FORM

Please return the completed Addendum in electronic format to: MembershipServicesEU@cboe.com

Originals may be sent to:

Cboe Europe Limited
The Monument Building,
11 Monument Street, 5th Floor,
London, EC3R 8AF

or

Cboe Europe B.V.
Symphony Offices,
Gustav Mahlerplein 77, 18th Floor,
1082 MS Amsterdam
The Netherlands

The Addendum will be processed by Cboe UK and/or Cboe NL as appropriate.

For any queries, please contact our Membership Services at MembershipServicesEU@cboe.com