STATE BANK OF INDIA

LONDON MAIN BRANCH

MIFID Policy

V 1.2

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Policy Version Control:

Document History

Document Control Information

Owner	Head Investments	Version	1.2
File Location	SBI UK Times		
Next Review Date	26/08/2020		

Version Control

Version	Approval	Modifications/ Additions/ Deletions
1.1	ManCo: 27/08/2019	Submitted to ManCo for final approval
1.2	SMF Review: 21/08/2020	Submitted for review to Branch Legal & Compliance Committee
1.2	ManCo: 26/08/2020	Submitted to ManCo for final approval.
1.2	ManCo: 26/08/2020	Approved by ManCo.

The above policy is for review and approval incorporating the changes detailed below:

Modifications/Additions/Deletions:

Modifications:

1. 'State Bank of India, UK branch' changed to 'SBI London Main Branch (SBI LMB)' throughout the policy and annexures.
2. In the Section 1 of the Conflicts of Interest Management Policy, the words 'to be put in place' have been replaced by 'should have'.
3. Annexure III, In the Section 9 of Conflicts of Interest Management Policy, the owner of the policy has been changed from Risk Dept. to Investment dept.
4. Annexure IV, In the section 7, the following is changed "will be done by Risk Department" to " the review of policy shall be done annually as per Policy review procedure of SBI LMB by Investment Department"

Additions:

1. Legal & Compliance department added to Page 5, Cl 5. Iii in the list of department enlisted to carry out the MIFID policy.

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SBI London Main Branch- MIFID POLICY

1. Introduction :

SBI London Main Branch (SBI LMB) MIFID Policy ("policy") is being put in place in the Bank to provide a system to ensure that the regulated activities which are carried out by SBI London Main Branch to comply with the Financial Instruments Directive II ("MIFID II"). MIFID II is the European Union (EU) legislation that regulates firms who provide services to clients linked to 'financial instruments' (shares, bonds, units in collective investment schemes and derivatives), and the trading venues where those instruments are traded. MIFID applied in the UK from November 2007, and was revised by MIFID II, which took effect in January 2018, to improve the functioning of financial markets in light of the financial crisis and to strengthen investor protection. MIFID II extended the MIFID requirements in a number of areas including:

- new market structure requirements
- new and extended requirements in relation to transparency
- new rules on research and inducements
- new product governance requirements for manufacturers and distributers of MiFID 'products'
- introduction of a harmonised commodity position limits regime

That legislation takes the form of a combination of delegated acts, regulatory technical standards (RTS) and implementing technical standards (ITS).

2. MIFID Business/Regulated activities Definition: MIFID business / regulated activities MIFID business is investment services and activities and, where relevant, ancillary services carried on by a MiFID investment firm

3. Related Laws/Guidelines :
The main policy and all other related policies are guided by MIFIR/MIFID II of ESMA.

4. Objective:
This policy aims to provide guidance and put in place a framework with defined responsibilities of various functionaries through the formulation of various other granular policies so as to enable SBI London Main Branch to be in compliant with MiFID II regulation. This policy also aims to define the acceptable level of risk by means of restricting the type of products and the category of the clients with whom the regulated activities are carried out. SBI London Main Branch Risk Management Committee shall be the responsible body for enactment and implementation of this Policy.

5. Scope of Policy :
Scope of this policy extends to various products which are allowed to be dealt, personnel who are empowered to deal on behalf of SBI London Main Branch, processes which enable the compliance with the regulation.

5. i: Products Dealt : SBI London Main Branch shall restrict its dealing to the following class of products with the category of clients and through the venues mentioned against them.

Product type	*Trading through*		*On Own a/c*	*With*		
	Out of the Venue	*On Venue*		*Retail Clients(*)*	*Professional clients*	*Eligible counterparty*
Fixed Income Securities	Yes	Yes	Yes	No	No	Yes
Forex Forwards	Yes	Yes	Yes	No	No	Yes
Forex SWAPs	Yes	Yes	Yes	No	No	Yes
Interest Rate SWAPs	Yes	No	Yes	No	No	Yes
Forward Rate Agreement	Yes	Yes	Yes	No	Yes	Yes
Interest Rate CAPs and Floors	Yes	Yes	Yes	No	Yes	Yes

(*) MIFID Regulated activities shall not be carried out with the "Retail Clients". In the event of Professional Clients / Eligible Counterparties request for treating them as "Retail Clients", since we have a policy of not dealing with "Retail Clients", we shall not entertain such request.

5.ii : Authorised Departments & Personnel: MIFID regulated activities will be carried out and monitored by Following Departments

Instrument Type	**Front Office Tasks**	**Back Office Tasks**	**Subject to Oversight by**
Fixed Income Securities, FX Forwards, IRS, FRAs, Interest Rate CAPs and Floors	Dealing Room (Treasury)	Treasury Settlements Department(TSD)	Mid Office, Risk Department and Internal Audit
Fixed Income Securities	Investments		

5. iii MIFID regulated activities will be carried out by the following personnel mentioned in the departments under 5.ii above

Department	**Headed by**	**Other Officials**
Investments	Head Investments	Assistant Manager/s Investment
Dealing Room	Chief Dealer	Dealers
TSD	Head – TSD	Deputy or Assistant Manager/s, Associates
Risk Department	Chief Risk Officer	Deputy or Assistant Manager/s, Associates
Mid Office	Head – Mid Office	Deputy or Assistant Manager/s, Associates
Audit	Head – Internal Audit	Deputy or Assistant Manager/s, Associates
Legal & Compliance	Head- Compliance	Deputy or Assistant Manager/s, Associates

5.iv Language of Communication and Modes :

Principal Language of Communication: All the communications emanating from SBI London Main Branch shall be restricted to English.

5.v Recognised modes of communication with the clients : SBI London Main Branch shall communicate with its clients through the following modes :

a. SBIUK Email system
b. Bloomberg Email system
c. Chat facilities of Bloomberg
d. Chat facilities of Reuters
e. Land Line Telephones of Dealing Room and Treasury Settlement Depts.

SBI London Main Branch shall maintain the recording of all the inward and outward communications. The details are embedded in Recording of Telephone Conversations and Electronic Communications Policy

5.vi. Dealing Capacity

For the purposes of MIFID II, SBI London Main Branch will be using the permission "*Dealing in Investments as Principal"* to deal with Eligible Counterparties & Professional Clients.

6. Other Policies adopted by SBI London Main Branch in respect of MIFID II and their guiding regulation are as under :

Name of the Policy	Pertinent Regulation	Brief description
Client Categorisation Policy	FCA Hand Book - Conduct of Business Source: Chapter 3	Guidelines derived from "FCA Rules and Guidance" for categorisation of clients and of products which are suitable to the clients as per their classification.
Conflicts of Interest Management Policy	FCA Hand Book - Senior arrangements, Systems and Controls: Chapter 10	Guidelines derived from "FCA Rules and Guidance" –to identify and manage the conflicts of interest that may arise in the due course of MIFID regulated business.
Communication Recording policy	Senior Management Arrangements, Systems and Control : Chapter 10A	Guidelines derived from "FCA Rules and Guidance" –to record various electronic communications
Best Execution of Deal Policy	FCA Hand Book - Conduct of Business Source: Chapter 11.2A	Adoption of various standards defined in the regulation for providing the best execution in respect of deals to the professional clients
Complaint Handling Policy	FCA Hand Book - Conduct of Business Source: Chapter 1.1A	Guidelines to handle and manage the complaints received under MIFID II

7. **Owner of the Policy and the Frequency of Review:** Investment Department is the owner of the policy. They shall review the policy on an annual basis after seeking inputs from the user departments.

State Bank of India, London Main Branch - Client Categorisation Policy

1. Introduction:

State Bank of India, London Main Branch is an Investment firm registered in the UK and regulated by the Financial Conduct Authority (FCA). Under the COBS 3 of the FCA rules State Bank of India, London Main Branch is required to notify new clients, and existing clients that it has newly categorised, of their categorisation as a retail client, a professional client or an eligible counterparty in accordance with Directive 2014/65/EU ("MiFID II"). State Bank of India, London Main Branch shall inform its clients in a durable medium about any right that client has to request a different categorisation and about any limitations to the level of client protection that a different categorisation would entail. This information shall be provided to clients prior to any provision of services.

2. Related Laws/Guidelines

Client Categorisation under MIFID II is guided by COBS 3 of the FCA Hand Book. Client Categorisation Policy is a part of MIFID Policy of State Bank of India, London Main Branch. It should be read along with the same.

3. Objective & Scope of the Policy :

Objective of this policy is to lay down the guidelines to define and categorise Clients into "Per Se Professional Clients" or "Per Se Eligible Counter Party" or a "Retail Client" (*). Scope of this policy extends over identification and classification of the clients.

(*) State Bank of India, London Main Branch shall not deal with Retail Clients in respect of MIFID II regulated activities.

4. <u>Definition of a Client :</u>

i. A person to whom State Bank of India, London Main Branch provides, intends to provide or has provided:
   (a) A service in the course of carrying on a regulated activity; or
   (b) In the case of MIFID or equivalent third country business, an ancillary service, is a "Client" of that firm

ii. A client Includes a potential Client

iii. In relation to the financial promotion rules, a person to whom a financial promotion is or is likely to be communicated is a "client" of State Bank of India, London Main Branch if such communication is originated or approved by it.

The Clients will be categorised into following Categories viz., **a.** Per Se Professional Clients or **b**. Per Se Eligible Counterparty or **c.** Retail Client. All the clients will be classified before entering the First Deal and will be reviewed annually.

4.1 <u>Per-se Professional Clients</u>

A "**Per-se Professional Client" is one who is** authorised or regulated by either EEA State or Third Country to operate in the financial markets carrying out the activities like

(a) A credit institution;
(b) An investment firm;
(c) Any other authorised or regulated financial institution;
(d) An insurance company;
(e) A local;
(f) Any other institutional investor;

OR

In relation to MiFID or equivalent third country business a large undertaking meeting two of the following size requirements on a company basis:

(a) Balance sheet total of EUR 20,000,000;
(b) Net turnover of EUR 40,000,000;
(c) Own funds of EUR 2,000,000;

OR

In relation to business that is not MiFID or equivalent third country business a large undertaking meeting any of the following conditions:

(a) A body corporate (including a limited liability partnership) which has (or any of whose holding companies or subsidiaries has) (or has had at any time during the previous two years) called up share capital or net assets of at least £5 million (or its equivalent in any other currency at the relevant time);
(b)An undertaking that meets (or any of whose holding companies or subsidiaries meets) two of the following tests:

(i) A balance sheet total of EUR 12,500,000;
(ii) A net turnover of EUR 25,000,000;
(iii) An average number of employees during the year of 250;

(c) A partnership or unincorporated association which has (or has had at any time during the previous two years) net assets of at least £5 million (or its equivalent in any other currency at the relevant time) and calculated in the case of a limited partnership without deducting loans owing to any of the partners;
(d) A local authority or public authority.

Apart from the above, the experience of the people handling the transactions shall also be assessed while arriving at the classification as "Per se Professional Clients". The following aspects shall be considered in addition to those mentioned above:

(a) The types of service, transaction and financial instrument with which the client is familiar;
(b) The nature, volume, and frequency of the client's transactions in financial instruments and the period over which they have been carried out;
(c) The level of education, and profession or relevant former profession of the client or potential client.

i. Total Number of staff who are nominated to handle the Forward/Derivative Business
ii. Total Number of years each such staff have in this area
iii. Any specific Academic Training Received or relevant qualification they hold
iv. Contractual terms of the Staff involved in Forwards/Derivatives (Permanent/Temporary)
v. Arrangement for any Independent Professional/Risk Advisory
vi. Track record of the client like outstanding Litigations or declared losses on the products

For Professional clients, State Bank of India, London Main Branch is entitled to assume that they have the necessary experience and knowledge to understand the risk relating to a particular product/service and they are able to bear any related investment risk for such a product/service.

4.2 Per se Eligible Counter Parties

Each of the following is a **Per Se Eligible Counterparty** (including an entity that is not from an EEA State that is equivalent to any of the following)

1) An investment firm;
2) A credit institution;
3) Another financial institution authorised or regulated under EU legislation or the national law of an EEA State;
4) A national government or its corresponding office, including a public body that deals with the public debt;
5) A central bank;

4.3 Retail Clients

Retail client is one who does not fall under either of the earlier stated categories under para 5 and para 6 i.e., Per-se Professional Clients or Per se Eligible Counter Parties. SBI London Main Branch shall not deal with Retail Clients in respect of MIFID II Regulated Activities.

(SBI LONDON MAIN BRANCH does not recognise the categories viz., "Elective Professional Clients" and "Elective Eligible Counter Parties" as currently we are not dealing with "Retail Clients")

5. Roles and Responsibilities

The primary responsibility of categorising a client lies with respective Client Relationship team with inputs from The Chief Dealer. The details are as under:

	Type of Client	Categorising responsibility lies with
i.	Current Account or Fixed Deposit Holder	Head-Credit Administration/Corporate Services
ii.	Bilateral Loan Customer	Head – Bilateral Credit
iii.	Syndicated Loan Customer	Head - Syndication

6. Time & Frequency of the categorisation

The respective Relationship teams shall ensure the completion of client categorisation by following the definitions provided under para 4 above well before the first deal is done and reviewed the same annually thereafter.

7. Information to the Client regarding categorisation

State Bank of India, London Main Branch shall inform the clients of their category in the Bank's approved format (Placed as Annexure to this Policy) well before the first deal is done. Further information shall be given only if there is a change in the classification.

8. Record Keeping

State Bank of India, London Main Branch shall maintain the records of client categorisation for a period of 7 years.

9. Policy Owner

Risk department of State Bank of India, London Main Branch shall be the owner of this policy. The policy shall be reviewed annually along with other MIFID policies.

Letter to Client intimating Categorisation & Seeking Consent for disclosure of Data

To

MIFID – II: CLIENT CATEGORISATION, NOTICE OF RECORDING OF COMMUNICATION AND REQUEST FOR CONSENT TO DISCLOSURES

As you are aware, MIFID – II (Market in Financial Directive)/MIFIR (Market in Financial Regulation) regulations are being brought in by Financial Conduct Authority, UK (FCA) from 03rd of January 2018.

In this connection, we have classified you in the following category as per COBS 3 of FCA Handbook:

Professional Clients (in terms of FCA definition of COBS 3.5)
Some of the consequences of getting classified as a professional client are as under:

- Communication:, Communication with Professional Clients(about itself, its services and products, and its remuneration) may be different from its communication with retail clients
- Information about costs and associated charges: The information provided may not be comprehensive
- Information about currency fluctuations: It is assumed that the Professional Client is aware of the Currency Risks involved in the transaction.
- Order Execution Policy Summary: State Bank of India, London Main Branch is not obliged to provide a summary of its order execution policy containing the total cost the client incurs or a link to the most recent execution quality data for each execution venue listed in the policy to its Professional Clients. However, MiFID order handling & execution policy is available in the corporate website.
- Risks involved in the Transaction: State Bank of India, London Main Branch is entitled to assume that, in relation to the products, transactions and services which are being dealt by the "Professional Client", they have the necessary level of experience and knowledge in order to understand the risks involved in the transaction.

Or

Per Se Eligible Counterparty (in terms of FCA definition of COBS 3.6)
Some of the consequences of getting classified as an Eligible Counterparty are as under:

- State Bank of India, London Main Branch is not required to assess the appropriateness of investment services or products that may be provided or made available
- Best Execution obligations of State Bank of India, London Main Branch in terms of MIFID II are not applicable
- Information about costs and associated charges: The information provided may not be comprehensive
- SBI London Main Branch shall not be required to make disclosure as to the payment or receipt of any fee, commission or non-monetary benefit

- Order Execution Policy Summary: State Bank of India, London Main Branch is not obliged to provide a summary of its order execution policy containing the total cost the client incurs
- Risks involved in the Transaction: State Bank of India, London Main Branch is entitled to assume that, in relation to the products, transactions and services which are being dealt by the "Eligible Counterparty", they have the necessary level of experience and knowledge in order to understand the risks involved in the transaction.

As per your categorisation, we offer the following products

Forex Forwards/ Forex Swaps/ Interest Rate Swaps/Forward Rate Agreement (FRAs)/Interest Rate CAP/FLOOR

STATE BANK OF INDIA, LONDON MAIN BRANCH will enter into deals on a case to case basis at its sole discretion. Some of the factors which might influence our decision to entertain or reject a deal, could be, but not restricted to, the following:

(a) Suitability of the requested deal to the requested client.
(b) Available Credit Equivalent limit on the client
(c) Size of transaction,
(d) Liquidity,
(e) Market conditions,
(f) Funding costs
(g) a client's past trading activity and conduct with SBI UK,
(h) Extant Risk Guidelines of the Bank.
(i) Any regulatory/operational responsibility on State Bank of India, London Main Branch which is in place at the time the request is made.

You may consult your legal counsel on the implication of the MIFID Regulation.

Notice of Recording of Communications:

We herewith notify you that any communication you make with State Bank of India, London Main Branch in the form of email, Reuters/Bloomberg Chats or Telephonic Chat will be recorded. A copy of such recordings with your organisation shall be retained for a period of 5 years and a copy of the same shall be made available on request. If we are aware of any competent Authority requesting the same, the records can be retrieved up to a period of 7 years.

Consents Requested:

We need to receive the following consents from yourself or the authorised Personnel of your Company/Compliance.

Quote

i. Consent to Execute outside a Trading Venue

A Trading Venue means a Regulated Market, Multilateral Trading Facility (MTF) or an Organised Trading Facility (OTF), as defined under MiFID II and, in particular, related FCA guidance. This consent enables the execution of your orders outside a MTF or an OTF (in other words, over the counter). For

further clarification/information about this consent, we encourage you to seek advice from your legal counsel. STATE BANK OF INDIA, LONDON MAIN BRANCH is seeking this consent under Article 27(5) of MiFID and, in particular, related national implementing measures.

☐ By entering into a transaction with SBI, a customer will be executing a transaction outside a trading venue (i.e., Over the Counter)

ii. Notice of modifications

We may provide you with modifications related to our services at various intervals in a medium other than on a paper. With your consent, in terms of MIFID II and other relevant laws/regulations allow STATE BANK OF INDIA, LONDON MAIN BRANCH to furnish information that is addressed to you personally (for example, a letter or agreement) using durable mediums like a PDF or Email other than paper . In addition, with your consent, MIFID II and other relevant laws/regulations allow STATE BANK OF INDIA, LONDON MAIN BRANCH to furnish information that is not addressed to you personally by means of a website. In both cases, the information provided using the mediums specified above must be relevant to the context in which the business relationship between us is, or is to be, carried on. For further clarification/information about this consent, we encourage you to seek advice from your legal counsel. STATE BANK OF INDIA, LONDON MAIN BRANCH are seeking this consent under Articles 3(1) and 3(2) of the MiFID Delegated Regulation and other laws and regulations relating to the provision of information by way of a durable medium other than paper and by way of websites.

☐ We hereby consent to the provision of information via email, PDF document or by any other durable medium that is not paper. We also consent to the provision of information not personally addressed to us by means of such websites as we are notified of by SBI, UK.

iii. Bilateral Consent to reporting under regulatory reporting regimes including the MIFID and MIFIR

To the extent mandated, or intended solely for purposes of compliance with, any applicable law, rule or regulation which mandates reporting and/or retention of transaction and similar information or to the extent required by any order or directive regarding reporting and/or retention of transaction and similar information issued by any competent authority or body or agency in accordance with which the other party or its affiliate is required or accustomed to act. We acknowledge that the data which might be subject to reporting requirements shall include the data pertaining to the dealing between ourselves/our affiliates/our agents and SBI, London Main Branch or their Head Office or their agents. We further acknowledge that

(A) Such disclosures may contain the disclosure of deal information including counter party identity such as name, address, corporate affiliation, identifier or otherwise (i) to any entity such as a data repository or any "Approved Reporting Mechanism"(ARM) , authorised to receive such information (ii) to regulated entities whose services are engaged by the competent Authorities (iii) to any pertinent regulatory institutions (iv) to any other arrangement operated by the competent authorities
(B) Such disclosures may result in transaction and pricing data becoming available to public;
(C) The consents hereunder shall waive the disclosure restrictions under applicable law, to the extent they are permitted to do so. Any agreement between the parties shall continue to apply to the extent that such agreement is consistent with the disclosure of information in connection with the Reporting Requirements as set out herein

By signing below, we consent to these terms which will take effect on the **_____.**

Yours faithfully,

_____

Name of authorised signatory:
Title:
Name of the firm:
LEI:
Address with Post Code:
Date:
Unquote

Yours faithfully,

Head - Credit Administration /Head – Bilateral Credit/Head - Syndications

Annexure 2 to MIFID Policy

State Bank of India, London Main Branch - Best Execution Policy for Per se Professional Clients

Introduction :

1. Best execution is an important part of the Markets in Financial Instruments Directive II (MiFID II). The obligation to achieve best execution is in COBS 11.2A of FCA Handbook , which states that an investment firm must take all sufficient steps to obtain the best possible result for its client when executing a client order. When implementing best execution, investment firms must take into account a number of different factors COBS 11.2A of FCA handbook sets out these characteristics under the obligation to execute orders on terms most favourable to the client, where firms must consider "price, costs, speed, likelihood of execution and settlement, size, nature or any other relevant consideration". This policy is a part of MIFID Policy of State Bank of India, London Main Branch.

2. Objective :

(a) The objective of this policy is to define the obligation on State Bank of India London Main Branch to take sufficient steps to obtain the best possible result for SBI's clients when executing client orders. Best Execution Policy shall be applied to each client order that falls within the scope of MIFID II.

In terms of FCA Handbook COBS 11.1.2, Best Execution standards apply to State Bank of India London Main Branch in respect of all clients but the objective of the current policy is limited to "Professional Clients" only. State Bank of India, London Main Branch will restrict its dealings with "Per se Professional Clients" to only four financial instruments viz., Forex Forwards, Forex SWAPs and Interest Rate SWAPs and Interest Rate CAPS/FLOORs.

3. Relative Laws and Regulations :

Best Execution policy is guided by FCA Handbook Chapter COBS 11.1.2

4. Definitions:

4. i A regulated market :A multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments - in the system and in accordance with its non-discretionary rules - in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with Title III of MiFID.

4. ii MTF: A Multilateral Trading Facility (MTF) is a trading system that facilitates the exchange of financial instruments between multiple parties. Multilateral trading facilities allow eligible contract participants to gather and transfer a variety of securities, especially instruments that may not have an official market. These facilities are often electronic systems controlled by approved market operators or larger investment banks. Traders will usually submit orders electronically, where a matching software engine is used to pair buyers with sellers.

4. iii OTF : an Organized Trading Facility any facility or system that is not an MTF or regulated market, operated by an investment firm or market operator in which multiple third party buying and selling

interests in financial instruments are able to interact in the system in a way that results in a contract. This includes facilities that are bilateral or multilateral, discretionary and non-discretionary.
4. iv SI: A Systematic Internaliser is an investment firm which, on an organised, frequent and systematic, and substantial basis, deals on its own account (principal trading) by executing client orders outside trading venues: Regulated Market (RM), Multilateral Trading Facility (MTF), or Organized Trading Facility (OTF).

5. Deal Making with Clients : Pre-Conditions

State Bank of India, London Main Branch lays down the following pre-conditions to enter into deal with its clients:

i. Client categorisation has been carried out in accordance with State Bank of India, London Main Branch Client categorisation policy and the Client has been accorded the category, "Per se Professional Client"
ii. The Per Se Professional Client must have accepted the Best Execution terms of State Bank of India, London Main Branch in writing.
iii. The client has given consent to deal outside MTF or OTF
iv. The request for deal is for one of the four products viz., Interest Rate Swap or Forex SWAP or Forex Forward or Interest Rate CAP/Floor.
v. There are sufficient credit limits/cash available to meet the margin requirements.

6. Execution Venues

State Bank of India, London Main Branch shall be entering into all the deals with its Per se Professional Clients as a "Principal" which means in all the deals with Per se Professional Clients, State Bank of India, London Main Branch will be one of two counterparties. It does not act as an agent of its Per se Professional Clients to execute the deals on either "On Venue" or "Off Venue". State Bank of India, London Main Branch does not operate any MTF or OTF to conclude the deals with Per se Professional Clients, instead it will converse and conclude the deals on recordable mediums like Email/Recorded Telephone/Reuters Icon Chat/Bloomberg Chat Window. The clients are therefore required to sign their consent to deal outside a trading venue with State Bank of India, London Main Branch. However, for the purpose of pricing reference to the quotes given to Per se Professional Clients, State Bank of India, London Main Branch uses the following Execution Venues:

	Product	**Venue**	**Method**
A	Forex Forward	Reuters MTF, T-360 MTF	Request for Quote
B	Forex Swap	Reuters MTF, T-360 MTF	Request for Quote
C	Interest Rate Swap	Over the Counter Market	Best of 3 Random Quotes/Recent Deal Prices& Reconstructed Price
D	Interest Rate Caps and Floors	Over the Counter Market	Best of 3 Random Quotes/Recent Deal Prices & Reconstructed Price

The above MTF's are chosen based on the liquidity available on them and the past satisfactory experience of State Bank of India, London Main Branch. The controls offered by these venues are in tune with the current best execution policy. These are renowned in the market and apart from price costs, they have speed and their likelihood of execution is also high for the chosen asset classes. The Venues will be reviewed after 12 months of MIFID regime from the experiences gained in that period.

We do not execute any security financing transactions on these venues. Since State Bank of India, London Main Branch shall not execute the trades as an Agent on the above mentioned execution venues, however, it shall endeavour to gather the publicly available data from them to ensure the fairness of the price.

7. <u>Philosophy of ensuring Best Execution to the Clients.</u>

7.i Factors considered for Best Execution : State Bank of India, London Main Branch shall take into account the following *execution factors* to ensure Best Execution to the Per se Professional Clients viz.,

i. Price
ii. Costs
iii. Speed
iv. Likelihood of execution & settlement
v. size
vi. nature or any other consideration relevant to the execution of an order.

State Bank of India, London Main Branch will take into account the following criteria to determine the relative importance of the factors listed above:

(a) the characteristics of the client including the categorisation of the client;
(b) the characteristics of the client order;
(c) the characteristics of financial instruments that are the subject of that order;
(d) the characteristics of the execution venues viz., MTF or an OTF, a Systematic Internaliser or a market maker or other liquidity providers from whom a price reference can be obtained.
(e) State Bank of India, London Main Branch does not extend any Security Financing Transactions.

Even if State Bank of India, London Main Branch deals with its Per se Professional Clients on a "Principal" and "on own account", it considers such dealing as execution of client orders and the "The Best Execution" standards shall continue to apply for such deals.

7.ii. Provision of quote and Deal Execution : If State Bank of India London Main Branch provides a quote to a Per se Professional Client and that quote would meet the State Bank of India London Main Branch's obligations to take all reasonable steps to obtain the best possible result for its Per se Professional Clients if State Bank of India, London Main Branch executed that quote at the time the quote was provided, State Bank of India, London Main Branch will meet those same obligations if it executes its quote after the Per se Professional Clients accepts it, provided that, taking into account the changing market conditions and the time elapsed between the offer and acceptance of the quote, the quote is not manifestly out of date.

7.iii. Pricing of OTC Products: For Best Execution, as State Bank of India, London Main Branch will be dealing on own account, it will use the trading data/quotes from various execution venues for arriving at the price reference. However it may be difficult to identify and apply a uniform standard of and procedure for best price reference that would be valid and effective for all classes of instruments. Transactions involving a customized OTC financial instrument that involve a unique contractual relationship tailored to the circumstances of the Per se Professional Clients and State Bank of India, London Main Branch may not be comparable for best execution purposes with transactions involving Forex SWAPs Interest Rate SWAPs and Forex Forwards which are traded on centralized execution.

7.iv Security Financing Transactions: State Bank of India, London Main Branch shall not undertake any Security Financing Transactions with its Per se Professional Clients.

7. v Execution Venues and Commission : The price in the quote given by State Bank of India, London Main Branch to its Per se Professional Clients shall be all inclusive one and will assume a notional and

uniform commission for all the execution venues to which it has trading access. State Bank of India, London Main Branch also does not accept any dealing commission from any of the Execution Venues. State Bank of India, London Main Branch or its employees does not accept any remuneration, discount or non-monetary benefit for routing the transactions. Choice of venues does not impact the pricing of the quotes extended by State Bank of India, London Main Branch. State Bank of India, London Main Branch shall not aggregate the client orders for arriving at the price reference and also for computing any charges.

7.vi Choice of execution venue by Clients : State Bank of India, London Main Branch shall extend the quotes to its Per se Professional Clients by taking price references from the Execution Venues to which it has access. However, when the Per se Professional Clients issue any specific instructions as regards to obtaining pricing reference from any specific execution venue,(either for full order or partial), to which State Bank of India, London Main Branch has access, State Bank of India, London Main Branch shall oblige the same (either full order or partial as the case may be). In the event of State Bank of India, London Main Branch having prior knowledge about any hindrances in that particular execution which might prevent the best execution, the same will be conveyed as a warning to the client that specific instructions by the client may prevent State Bank of India, London Main Branch from providing the Best Execution. The information disclosed shall be used for execution of deals by SBI as a Principal with it's Per se Professional Clients and not meant for the Clients to approach such alternate execution venue themselves Further, State Bank of India, London Main Branch will not execute these trades through an alternative execution venue.

7.vii. Demonstration of Best Execution on demand: State Bank of India, London Main Branch shall on demand demonstrate the Best Execution of the deals vis-à-vis with its Best Execution Policy to its Per se Professional Clients. Further State Bank of India, London Main Branch shall also demonstrate to FCA at the request of that authority, its compliance with COBS 11.2A.2R which require firms to execute orders on terms most favourable to the client. Best Execution shall be based on all inclusive costs to the Client.

7. viii. Disclosure of Proprietary Position : State Bank of India, London Main Branch shall disclose to its Per se Professional Clients, any proprietary position it holds in the products for which quote request has been received.

7.ix. Limit Orders: State Bank of India, London Main Branch shall not accept limit orders from its Per se Professional Clients, the dealing will be done only based on the Request for Quote from the Client.

7.x. Publicity or Promotion of MIFID Products: State Bank of India, London Main Branch shall not issue any Publicity or Promotion material for the MIFID Products viz., Forex Forwards, Forex SWAPs and Interest Rate SWAPs and Interest Rate CAPS/FLOORs.

7.xi. Periodic Updates: State Bank of India, London Main Branch on an quarterly intervals shall provide to its Professional Clients a statement of outstanding derivative deals along with their Mark-to-Market valuation. Any change in Terms and Conditions will be informed to the Per se Professional Clients a minimum of 15 days in advance before such change becomes effective.

7.xii. Compensation Policy: State Bank of India, London Main Branch does not have any compensation policy for MIFID II regulated business.

8. Process of dealing with Professional clients

8.i. Deals at the discretion of State Bank of India, London Main Branch: State Bank of India, London Main Branch presumes that being Per se Professional Clients; they have access to various market information and also shop around for the quote. Therefore once the quote is accepted by them, it will be further presumed that their decision is an informed one. State Bank of India, London Main Branch shall not initiate the deal making process. The deal will be initiated only at the request of the client and any deal will be done at the sole discretion of the bank. The factors which are considered while entertaining a deal request from the client:

a) Available limit on the client
b) Past Dealing Experience like adherence to the commitment etc.,
c) Extant Risk Guidelines of the Bank.
d) Any operational or regulatory restrictions in place at the time the request is made.
e) Once the above factors are satisfied, depending upon the instrument involved, the steps enumerated in Para 8.ii to 8.iii shall be followed.

8.ii. Forex Forwards and Forex Swaps which are traded on MTFs

8.ii.a Provision of Quote : Unless the client instructs to choose a particular execution venue for pricing reference, the dealing room staff of State Bank of India, London Main Branch shall obtain best quote for the size and tenor requested by the Per se Professional Clients from both Reuters MTF and T 360 MTF. The best quote obtained from the MTFs shall be cross checked with the past deal data of the deals of similar size and tenor took place in the very near past say same day or previous day. If the prices vary by a huge margin say more than 30 bps, in the event of absence of any major risk event, State Bank of India, London Main Branch shall refrain from quoting to the customer. Price shall be first factor of consideration for arriving at the Best Execution however apart from price, costs, speed, likelihood of execution/settlement, size (in the stated order of preference) will also be examined. The quotes can also be compared to the best execution data published by execution venues in case they are available and relevant.

8.ii.b Execution of Deal : In case the quote is found to be in order, the best quote shall be taken as the price reference for the quote. State Bank of India, London Main Branch will then add its mark up to the best quote obtained and an all-in-one price will be quoted to the Per se Professional Clients. The price quoted will be an "indicative one" subject to various terms and conditions mentioned therein. Upon satisfied with the terms and conditions and price, the client will re-approach the bank as a recorded telephone/ Reuters chat/Bloomberg window and request bank for a final quote. In the event the final quote is acceptable to the client, bank and client shall conclude the deal. Upon conclusion of the deal, bank will send a final confirmation which will be accepted and returned within 24 hours

8.iii. Interest Rate SWAPs, Forex Swaps, Interest Rate CAP/FLOOR which are not traed on MTF or OTF (Off Venue):

8.iii. a. Provision of quote:

Gathering of Market Data :

1. State Bank of India, London Main Branch shall obtain 3 random quotes from 3 different counterparties at a maximum time lag of one hour between the first and the last quote.
2. If data pertaining to the recent deals (not older than one trading day) of similar size in the said product is available in public domain, State Bank of India, London Main Branch shall source such information.

Reconstruction of Price from the gathered Input Variables :

3. Shall check for the price of the input variables such as SWAP Prices, Exchange Rates and Forward Rates from information platforms like Bloomberg or Reuters. The price of the product shall be independently reworked using the input prices

The minimum of the price arrived at by following the steps 8.iii.a.1 & 2 will be cross checked with the reconstructed price as per 8.iii.a.3 If both the prices vary by more than 30 bps, in the event of absence of any major risk event, State Bank of India, London Main Branch shall refrain from quoting to the customer. Price shall be first factor of consideration for arriving at the Best Execution however apart from price, costs, speed, likelihood of execution/settlement; size (in the stated order of preference) will also be examined. Otherwise, the best quote shall be taken as the price reference for the quote. State Bank of India, London Main Branch will then add its mark up to the best quote obtained and an all-in-one price will be quoted to the Per se Professional Clients. The price quoted will be an "indicative one" subject to various terms and conditions mentioned therein.

8.iii.b Execution of Deal : Upon satisfied with the terms and conditions and price, the client will re-approach the bank as a recorded telephone/ Reuters chat/Bloomberg window and request bank for a final quote. In the event the final quote is acceptable to the client, bank and client shall conclude the deal. Upon conclusion of the deal, bank will send a final confirmation which will be accepted and returned within 24 hours.

9. Correspondence regarding Policies

State Bank of India, London Main Branch shall respond positively within 5 working days regarding any clarification sought by the clients regarding its policy.

10. Recording of Orders Received and Executed

State Bank of India, London Main Branch, in relation to every order received from a Per se Professional Client, immediately make a record of the following details, to the extent they are applicable to the order or decision to deal in question:

(a) the name or other designation of the client;
(b) the name or other designation of any relevant person acting on behalf of the client;
(c) Buy/sell indicator
(d) ISIN of the Security
(e) Unit price
(f) Price notation
(g) Quantity
(h) Quantity notation
(i) the nature of the order if other than buy or sell;
(j) the type of the order;
(k) any other details, conditions and particular instructions from the client that specify how the order must be carried out;
(l) The date and exact time of the receipt of the order, or of the decision to deal, by the investment firm.

11. Recording of Per se Professional Client Transactions

Immediately after executing a Per se Professional Client order, State Bank of India, London Main Branch shall electronically record the following details transaction in question in the Authorised Reporting Mechanism Portal for which it has subscribed to.

12. **Review of the Policy :** Best Deal Execution Policy shall be reviewed by **The Risk Department** of State Bank of India, London Main Branch at least on an annual basis or upon any material changes in the execution venues or market trading rules. It shall communicate to its Per se Professional Clients of any changes on any modification.

Annexure III to MIFID Policy

State Bank of India, London Main Branch - Conflicts of Interest Management Policy

Section 1: Objective of the Policy:

FCA's guidelines require a firm to "manage conflicts of interest fairly, both between itself and its customers and between a customer and another client." Under the Markets in Financial Instruments Directive II ("MiFID II") a firm should have effective organisational and administrative set up so as to take all possible steps to forestall conflicts of interest from adversely impacting the interests of its clients. The purpose of the policy is to provide guidance on what a conflict of interest is, managing conflict of interest in State Bank of India, London Main Branch business and who is responsible for putting in place a framework for managing conflict of interest. This policy shall :

- identify circumstances which may give rise to conflicts of interest which involve a risk of damage to customers' interests;
- describe the arrangements which STATE BANK OF INDIA, LONDON MAIN BRANCH has put in place to forestall or manage such conflicts of interests;
- Detail the disclosure process STATE BANK OF INDIA, LONDON MAIN BRANCH will follow for the conflict of interests which is beyond its reach to manage.

This policy is a part of State Bank of India, London Main Branch MIFID Policy.

Section 2 : Scope of the Policy :

The requirement to take all needed steps to identify, prevent or manage any conflicts of interest applies to all the employees State Bank of India, London Main Branch.

Section 3 : Roles and responsibilities of the Senior Management

The senior management consisting of Regional Head, CEO, Head – Compliance and Chief Risk Officer oversees the framework of prevention and management of conflicts of interest. The senior management team will have the following oversight in the management of conflict of interest arising in the business of State Bank of India, London Main Branch :

i. Produce and periodically review SBI's conflicts of interest policies and procedures;

ii. Promote a culture in which employees are encouraged to avoid conflicts of interest where possible and escalate any potential conflicts of interest to senior management as soon as possible.

iii. Take practical steps to identify and manage potential conflicts of interest. This includes identifying all areas of SBI's business where potential conflicts of interest exist (and keeping this list under review) and putting controls in place to manage these risks.

Section 4 : Roles and responsibilities of the Employees:

- To comply with all policies and procedures put in place by SBI to manage conflicts of interest, including this policy.
- Exercise highest integrity and independence while discharging the duties
- To escalate all potential conflicts of interest immediately to their line manager.

Section 5 : Types of Conflicts of Interest

State Bank of India, London Main Branch does not engage in Portfolio Management business. In addition, State Bank of India, London Main Branch does not offer Investment Research or Advice to customers. Consequently, the conflicts identified below are specific to State Bank of India, London Main Branch which exist based on the specific investment activities carried out by State Bank of India, London Main Branch:

- those between customers ;
- those between customers and State Bank of India, London Main Branch where their respective interests in a given outcome may be different;
- those between the employees of State Bank of India, London Main Branch and the interests of State Bank of India, London Main Branch or its Clients where those interests may be different;
- Those between the commercial interests of third party service providers used by State Bank of India, London Main Branch and the interests of State Bank of India, London Main Branch or its Clients where those interests may be different.

Section 6.1 What is a conflict of interest?

- As regards to State Bank of India, London Main Branch, a conflict of interest arises when in the course of provision of service to its clients which may benefit STATE BANK OF INDIA, LONDON MAIN BRANCH (or another client for whom STATE BANK OF INDIA, LONDON MAIN BRANCH is acting) and which may prove to be potentially damaging to another customer's interests (where STATE BANK OF INDIA, LONDON MAIN BRANCH owes a duty to that customer).
- A conflict of interest may also arise in circumstances where STATE BANK OF INDIA, LONDON MAIN BRANCH or a member of its staff has a material incentive to act in favour of the interests of one client(or group of clients) over the interests of another client;
- The transaction in question can potentially result in a financial gain either for State Bank of India, London Main Branch or its employees (or avoidance of a financial loss) at the expense of its Clients;
- State Bank of India, London Main Branch or its Employees has an material interest in the outcome of the service provided to its client, which is distinct from the client's interest in that material outcome;
- State Bank of India, London Main Branch or its Employees carries on the similar business as a Client;
- State Bank of India, London Main Branch or its employees are in receipt of a material benefit (monetary or non-monetary services) from third parties in relation to a service which is being provided to the client.

- State Bank of India, London Main Branch or its employees has the information obtained in the ordinary course of its business which is not in public domain and would result in benefitting the individual or a group of clients.
- SBI UK Employees are provided with inducements in relation to a service provided by a client or to a client
- Conflicts of Interest include potential as well as actual conflicts of interest.

Section 7 : Identification, Prevention and Management of Conflicts of Interest

STATE BANK OF INDIA, LONDON MAIN BRANCH has put in place internal policies and procedures which require all staff to be alert to potential conflicts of interest and to escalate any such potential conflicts through established process.

7.1 Remuneration(including non-financial remuneration, such as benefits in kind and career progression)

All relevant staff that are open to a conflict of interest are paid a basic salary including those in key support areas such as Compliance, Finance and Operations. State Bank of India, London Main Branch take measures to make sure that it do not remunerate or assess the performance of its staff in a way that conflicts with their duty to act in the best interests of its clients. Remunerating or assessing the performance of staff in a manner that can cause conflicts with the clients best interest is not permitted. In determining the eligibility for any reward, apart from economic performance, aspects like adherence to the vision, mission, and values of the organisation are also considered.

7.2 Inducements

All staff is required to act in accordance with the STATE BANK OF INDIA, LONDON MAIN BRANCH anti-Bribery Policy. This Policy defines the parameters in which staff can provide or accept gifts and entertainment and ensures transparency through its requirement for employees to disclose details of all gifts, entertainment and advantages it receives from or provides to customers or third parties. With reference to COBS 2.3A.5R, the employees are not allowed to accept gifts, entertainment or any other inducement from any person or a service provider or a dealing platform which might benefit one customer at the expense of another. Further State Bank of India, London Main Branch shall not receive any corporate fee or any other consideration from any of the service provider or dealing platform which it engages in the course of delivering the investment services.

7.2.a Supervision of Employees

7.2.a.i. Dealing Code of Conduct :

All front office staff are subject to "Dealing Code of Conduct" which they agree to by signing to the same. The said document interalia contains various provisions which act as deterrents to prevent conflict of interests. As per the same, personal account dealing of the employees is completely banned in the instruments in which State Bank of India, London Main Branch deals.

7.2.a.ii. Compliance Monitoring :

The monitoring of the employees is conducted by the Compliance and Audit Department who act with complete independence, includes, but is not limited to

- communication monitoring to review staff adherence to client confidentiality rules;
- periodic Desk reviews in which conflicts of interest for the Department are considered.

7.2.a.iii. Chinese Walls

Where appropriate, STATE BANK OF INDIA, LONDON MAIN BRANCH has arranged for the separate supervision of those carrying out functions for customers whose interests may conflict, or where the interests of customers and STATE BANK OF INDIA, LONDON MAIN BRANCH may conflict. Such separation of duties maintains independence and prevents individuals from bias which could impair the proper management of conflicts of interest. The information between the divisions is strictly passed on a "Need to Know" basis.

7.2.a.iv. Obligation to escalate the Conflict of Interest

The identified employees are subject to an obligation to escalate both actual and potential conflict of interest to the Compliance Department as soon as they are aware of the same. Compliance Department is empowered to decide on the escalated matters. However they shall keep the other senior management abreast of the developments.

7.2.a.v Disclosure and Obtaining Client's Consent

Upon internal clearances, the conflict of interest which has been discovered shall be disclosed to the Client along with an explanation of the likely impact on him. The explanation shall be signed-off by senior management. Upon such disclosure, it shall be mandatory on the dealing staff to obtain Client's consent in writing (where deemed necessary) before proceeding on the deal

Section 8 : Record Keeping

State Bank of India, London Main Branch maintains a Conflicts of Interest Register which details the specific conflicts identified within each area of the business; all of which fall within one of the types of conflicts of interest mentioned under section 3.1.3 above. The register shall be retained for a period of 5 years and the individual departments who identifies the conflict shall maintain the same.

Section 9 : Review of the Policy : Investment Department of State Bank of India, London Main Branch will be the owner of this policy and will be reviewed on an annual basis.

Annexure IV to MIFID Policy

State Bank of India, London Main Branch – MIFID - Complaint Handling Policy

1. Introduction

State Bank of India (SBI) UK endeavours to put the customer at the heart of its business and is committed to ensuring that customers are treated fairly. It is the Bank's policy that any dissatisfaction of the customer, highlighted to the Bank, is handled effectively and efficiently. State Bank of India, London Main Branch has in place a comprehensive complaint handling policy. However, as the activities which fall under MIFID are subject to a different regulation, we are framing an additional policy. This document introduces SBI UK's policy and procedures with regard to the handling of customer MIFID Complaints. The two broad parameters to be achieved through this framework are:

- Treat Customers fairly and in accordance with the MIFID Framework.
- Improve business processes leading to lesser complaints

This policy is a part of State Bank of India, London Main Branch MIFID Policy

2. **Objective of the Policy :** The objective of the process is to set out the rules relating to the internal handling of MIFID Complaints

   A. Applicable rules around capturing of MIFID Complaints
   B. Process to be followed for every MIFID Complaint handling
   C. Time limits within which we must deal with a MIFID Complaint
   D. Record keeping of a MIFID Complaint which we must make and retain
   E. Conducting Root Cause Analysis (RCA) investigation and elimination process
   F. Process to handle Financial Ombudsman Service (FOS) referral of MIFID Complaints.

3. Hierarchy of MIFID Complaint Management

Initial complaint receipt and investigation: **Mid Office department**
Weekly review of the outstanding complaints: **Chief Risk Officer on a weekly basis**
Monthly review of the complaints received, dealt and outstanding: UKRMC headed by RH.
Root Cause Analysis: Compliance Department

4. Who can complain?

(A) A person to whom a firm provides, intends to provide or has provided:

1. a service in the course of carrying on a regulated activity;

   Or

2. In the case of MiFID or equivalent third country business, an ancillary service, is a "client" of that firm.

(B) A "client" includes a potential client
(C) A client also include those who is classified as a "Eligible Counterparty"

Clients can submit their complaints free of charge.

5. What is a MiFID complaint?

MiFID complaint is a complaint made by a client or a potential client regarding the conduct of the bank in the MiFID regulated activities i.e., the provision of investment services or ancillary services to a client by an investment firm; Any complaint involving the provision of Investment Services shall be referred to the Mid-Office for scrutinising the same to determine whether it needs to be treated as a MIFID Complaint. Complaints relating to another regulated activity will not be a MIFID Complaint and shall be dealt with in accordance with SBI's standard Complaint Policy.

Once a MIFID Complaint, from an eligible complainant has been identified the process set out will be followed. A summary of the Bank's MIFID Complaints handling procedures will be sent with the MIFID Complaint acknowledgement letter and will also be provided to customers upon request. The Bank shall also ensure that all relevant employees are aware of its and procedures and are kept informed of significant changes to it. Please refer to MIFID Complaints Framework and the MIFID Complaints Handling Process detailed below.

6. Process to handle a MiFID complaint

a. A MiFID complaint can be in the following forms:

- A Physical Letter
- An Email Communication
- Verbal Communication (via telephone or Face-to-Face)
- Any oral or written expression of dissatisfaction, whether justified or not, from, or an behalf of a client.

b. The communication of complaint if in written form can be send to the following address.

Head – Mid Office
15, Kings Street
London
EC2V 8EA
Email: headmidoffice.sbiuk@statebank.com
Telephone : +44-20-74544325

(**Mid Office** is entrusted the sole responsibility of handling the MIFID complaints as it is an independent authority)

c. Depending upon the timeframe in which the complaint is resolved, the complaints can be classified and handled in two different methods, which are as under:

- Those which can be resolved within the end of Third Business Day from the following day of its receipt
- Complaints which takes longer than the above time period.

d. The complaint received shall be recorded and assessed as per the format mentioned in Para 6(I). Mid Office shall obtain the full address of the complainant, if the same is not provided in the complaint. Recording of complaints is mandatory irrespective of their timeframe of resolution.

e. **Situation I: If the complaint is <u>CLOSED</u> before the end of third business day from the following day on which it is received:**

i. If a complaint is likely to have an readily available resolution and the investigation can be closed within 3 working days, the final decision of either accepting or rejecting the complaint should be communicated to the complainant without any delay in the format(Annexure 8(ii)) prescribed by the bank. The complaint even if it can be handled within the third business day, assessment (As per Annexure 8(I) and investigation/summary of findings needs to be carried out for the same. The final format of the same inter alia contains the format of the alternate dispute resolution mechanism. The format in which the final decision has to be communicated is placed as Annexure 8(ii) to this policy. The final decision to accept or reject the complaint within the third business day lies with Chief Executive Officer (LMB) of the bank under advise from Mid Office.

ii. Example of Third Business Day from the following day on which it is received:
If a complaint is received on 1st day of the Month which falls on a Thursday, the third working day from the following day happens to be Tuesday, 6th of that month.

f. **Situation II: If the complaint is <u>NOT CLOSED</u> as at the end of third business day from the following day on which it is received:**

i. Once a complaint is not resolved and remained pending or likely to remain pending beyond the third business day from the following day of its receipt, the same will be acknowledged in the bank's approved format (Annexure 8(iii)), within 24 hours from the time of classification of the complaint i.e., before the end of 4th business day from the following business on which it is received. The complaint will then be allotted to a designated official in Mid Office department who will investigate the complaint. As a part of investigation, the complaint will first be assessed in the prescribed format as per the guidelines of FCA (Format to assess a MIFID complaint is placed as Annexure6 (I)).

ii. The investigation official will go through the entire record available with the bank and also can call for additional evidence if any, from the customer during the course of the investigation. The investigation official can seek opinion on the subject matter experts if there is a need. After the conclusion of investigation, the Mid Office department will make the conclusion and recommend the suitable action i.e., to accept or reject the complaint with detailed reasons. The final decision to accept or reject the complaint lies with Chief Executive Officer (LMB) of the bank. The entire process needs to be concluded within FCA stipulated timelines. If the complaint remains outstanding due to the conduct of the investigation beyond 4th/ 8th week, two suitable letters at the end of 4th and 8th week should be sent to the customer in the given formats furnished under annexures 8(iv) and 8(v) respectively.

iii. Once the final decision has been made either to accept or reject the complaint, the same should be communicated to the complainant without any delay in the format furnished under Annexure 8 (vi). The final format of the same inter alia contains the format of the alternate dispute resolution mechanism such as FOS. The complainant shall be informed in the final resolution letter regarding the standard FOS Complaint service if the complainant is eligible complainant in terms of DISP 2.7. In case the complaint is not an eligible compliant, he/she will not have right to approach FOS. The final Resolution shall also contain the steps taken for resolution of the complaint.

5. Root Cause analysis:

i. The investigation report shall also contain a root cause analysis of the complaint and identify the risks in the complaint and comment whether the existing systems are capable enough to cover them or not. This will be handled by compliance department. Upon final resolution of the complaint, The Mid Office shall forward the details of the complaint to The Compliance Department for Root Cause Analysis. A summary of MiFID complaints received, dealt and outstanding, month wise shall be displayed on the website.

6. Record Keeping:

SBI UK will maintain and retain documentary records of all the MIFID Complaints received in the CRM System. The Bank shall maintain and retain documentary records of all MIFID Complaints received for a minimum period of five years from the date of receipt of the MIFID Complaint. These records shall include but not be limited to the following:

- The name of the complainant
- The substance of MIFID Complaint
- Any correspondence between the Bank and the complainant
- Documentation relating to referral of a MIFID Complaint
- Steps taken for resolution of the complaint.
- Rational for resolution of Complaint.

State Bank of India, London Main Branch shall publish the details of the complaints two times a year :

For the Half Year ending 30th of September : Data shall be published not later than 30th of November of the same year

For the Half Year Ending with 31st of March : Data shall be published not later than 31st of May of the same year.

7. **Review of the Policy :** The policy shall be reviewed annually by as per the policy review procedure of State Bank of India, London Main Branch **by Investment Department.**

Format for Report

1 Annex 1BR **Complaints publication report**

This table belongs to *DISP* 1.10A.2R.

Complaints publication report

Firm name: .....
Group: (if applicable): .....
Other firms included in this report (if any): .....
Period covered in this report: [e.g. 1 January – 30 June 2015 or 1 January – 31 December 2015]
Brands/trading names covered: .....

	Number of complaints opened by volume of business							
Product / service grouping	**Provision (at reporting period end date)**	**Intermediation (within the reporting period)**	**Number of complaints opened**	**Number of complaints closed**	**Percentage closed within 3 days**	**Percentage closed after 3 days but within 8 weeks**	**Percentage upheld**	**Main cause of complaints opened**
Banking and credit cards	per 1000 accounts	N/A						
Home finance	per 1000 balances outstanding	per 1000 sales						
Insurance and pure protection	per 1000 policies in force	per 1000 policies sold						
Decumulation and pensions	per 1000 policies in force	per 1000 policies sold						
Investments	per 1000 client accounts	per 1000 sales or equivalent transactions						
Credit related	– *(Recommended only) per 1000 accounts / loans*	– *(Recommended only) per 1000 sales*			N/A	N/A		N/A

Note 1: When providing the appropriate information on the context of complaints, a *firm* should choose the metric which best reflects whether the majority of business undertaken by the *firm* involves the provision of products or services by the *firm* itself or intermediation. In cases where this is not possible, a *firm* may provide information on context for both intermediation and provision.

Note 2: For provision, information on context should relate the number of complaints opened within the reporting period to the total volume of a *firm's* relevant business at the end date of the reporting period. This is likely to include accounts opened, loans provided, policies sold and funds and investments provided before the commencement of the relevant reporting period.

Note 3: For intermediation, information on context published by a *firm* should relate the number of complaints opened within the reporting period to the number of sales within the relevant reporting period only.

Note 4: It is recommended that *firms* publish appropriate information on context in respect of credit-related complaints. However, publication of this data is not mandatory.

Note 5: When a *firm* publishes the 'main cause of complaints opened', this should be the cause category prompting the largest number of complaints for the relevant product/service grouping in Table 4 of Part A-2, *DISP* 1 Annex 1.

a. <u>Forwarding of Complaint:</u>

i. If SBI, UK Branch has reasonable grounds to be satisfied that "a Third Party" maybe solely or jointly responsible for the matter alleged in a complaint may forward the complaint, or the relevant part of it, in writing to that other respondent, not more than two working days along with full contact details of the complainant. It shall also Informs the complainant promptly in a final response of why the complaint has been forwarded by it to the other respondent, and of the other respondent's contact details; and where jointly responsible for the fault alleged in the complaint, State Bank of India, London Main Branch shall comply with its own obligations under this in respect of the complaint.

ii. When State Bank of India, London Main Branch receives a complaint that has been forwarded to it under DISP 1.7.1 R, of FCA Handbook, the complaint is treated for the purposes of DISP of FCA Handbook as if made directly to us and the Complaint policy shall be applicable to such complaint. The standard time limits will apply from the date on which it is received by State Bank of India, London Main Branch.

b. <u>Hierarchy of Resolution</u>

Chief Executive Officer, London Main Branch is empowered to resolve all the complaints under advice from Mid Office and Compliance Department. All resolutions shall be put up to Regional Head for control.

1 (I).MIFID COMPLAINT ASSESSMENT FORM

Sl No	Item	
i.	Name of the Complainant	
ii.	Subject Matter of the Complaint	
iii.	Assessment carried out by(Name of the Official)	
iv.	Evidence Presented/Gathered (Additional evidence may be called for in the event the evidence is not sufficient)	
v.	Special/Particular Circumstance present if any	
vi.	Are there any other party jointly or solely responsible other than State Bank of India, London Main Branch for the complaint in question? If so, please advise on forwarding.	
vii.	Does this complaint have similarity with any other complaint received by us? (All the complaints received needs to be analysed and commented)	
viii.	What are the relevant FCA Guidelines Please state in verbatim	
ix.	What are the relevant guidance published by the Financial Ombudsman on any similar subject , Please state	
x.	Present analysis of the decision of Ombudsman on any similar matter against us.	
xi.	Whether the complaint should be Upheld?	
Xii	Reasons for reaching the decision.	
Xiii	Steps taken for Resolution.	

Date : **Investigating Official**

Guidance for MID-OFFICE for assessment of Complaint

Subject Matter of the Complaint: A complaint must be initially assessed to verify whether the subject matter identified in the complaint falls within the ambit of the MIFID. In case the complaint does not fall under MIFID, the complaint should be forwarded to the department concerned and inform the complainant accordingly with detailed reasons. In such cases, SBI's Standard Complaint policy shall apply to such complaint.

Evidence Presented: All the records presented should be scanned carefully so as to determine their relevance to the subject matter. The evidence should be correlated with the investigation to arrive at a fair conclusion. The details of the evidence presented should also be recorded in the complaint.

Special/Particular Circumstance: The complaint shall be examined to see whether any special circumstances surrounding the complaint. Some of the examples of such would be volatility in the overall markets causing the distortion in the prices leading to disputes, failure of any communication channels on any day etc.

Are there any other party jointly or solely responsible other than State Bank of India, London Main Branch for the complaint in question?

Complaint need to be examined to whether any other party is responsible fully or partly along with State Bank of India, London Main Branch. In the event of any such evidence is found that any other party is also responsible, Mid Office shall promptly forward the complaint to that party concern under advise to the complainant

1(II): SUMMARY RESOLUTION COMMUNICATION

[IF MIFID COMPLAINT RESOLVED WITHIN 3 BUSINESS DAYS, FOLLOWING THE DAY ON WHICH THE MIFID COMPLAINT WAS RECEIVED]

<Enter Date>

<Enter Customer Name>
<Enter House Number, Street Name>
<Enter Town/City>, <Enter County><Enter Post Code>

MIFID Complaint reference number: [MIFID Complaint ref]

Dear [title and surname]

Thank you bringing your concerns to our attention. I write further to [MIFID Complaint method and date i.e. your email of _____].

Following from our [telephone conversation **or** your visit to the branch on **date**], I understand that you are satisfied with the resolution of your MIFID Complaint.

We aim to resolve all MIFID Complaints internally and so, if you believe that your concerns have not been fully addressed, please respond to this letter and we will consider the issues further.

[Not Upheld]

I trust the above clarifies the situation *<or>* addresses your concerns, nevertheless, I would like to apologise for the inconvenience this matter may have caused you.

If you do not agree with the resolution of your MIFID Complaint, in case you are an eligible complainant in terms of FCA DISP 2.7, you have the right to refer to The Financial Ombudsman Service for a review of your MIFID Complaint, free of charge - but you must do so within six months from the date of this letter. If you do not refer your MIFID Complaint in time, the Ombudsman will not have our permission to consider your MIFID Complaint and so will only be able to do so in very limited circumstances. For example, if the Ombudsman believes the delay was as a result of exceptional circumstances. For more information please visit the Financial Ombudsman website and read the guide 'Your MIFID Complaint and the Ombudsman'.

The contact details of The Financial Ombudsman Service are:
Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Phone: 08000234567
Email: MIFID Complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk.

Information on other Alternate Dispute Resolution can be found at
https://www.legislation.gov.uk/uksi/2015/542/pdfs/uksi_20150542_en.pdf
and
https://ec.europa.eu/consumers/odr/main/index.cfm?event=main.home2.show&lng=EN

Alternative dispute resolution (ADR) refers to ways of resolving disputes between consumers and traders that don't involve going to court. The government wants to encourage the development of ADR. Better ADR and easier access to it should also be good for all businesses committed to giving their customers the best possible service.

Common forms of ADR are:

- mediation, where an independent third party helps the disputing parties to come to a mutually acceptable outcome
- arbitration, where an independent third party considers the facts and takes a decision that's often binding on one or both parties

In the UK, there are already several large and well-established ADR schemes in regulated sectors. Financial services are also included in the same.

We may also inform you that Civil Courts are also one of the avenues available to you under Alternate Dispute Mechanism.

Thank you for your patience and co-operation in this matter. We look forward for your continued custom <where applicable>.

Yours sincerely
<Full Name>
Head - Mid Office

Enc.'Your MIFID Complaint and the Ombudsman' leaflet

1(III).ACKNOWLEDGEMENT LETTER DRAFT

(RESPONSE TO MIFID COMPLAINT INCOMING LETTERS, E-MAILS OR CALLS)

<Enter Date>

<Enter Customer Name>

<Enter House Number, Street Name>

<Enter Town/City>

<Enter County>

<Enter Post Code>

Dear < title and surname >

MIFID Complaint reference no: (Please quote this reference in all correspondence with us).

Thank you for your <letter/e-mail> received in our office on <date>.

We are sorry to learn that you have been dissatisfied with the investment service you have received. Please be assured that we will be conducting a thorough investigation and aim to resolve your MIFID Complaint as soon as possible. You will be provided with an update or a Final Response, as soon as we complete our investigation.

So that you know how we handle MIFID Complaints, we have enclosed detailed process, which State Bank of India, London Main Branch follows to deal with a MIFID Complaint to this letter. In the meanwhile, should you have any queries, or wish to discuss this matter further, please do not hesitate to contact our Customer Services on 0800 532 532 Monday to Friday between 9am to 6pm or your respective branch. Please refer to our website for branch opening times.

Yours sincerely,

<Full Name>
Head - Mid Office

Process to handle a MiFID complaint

g. A MiFID complaint can be in the following forms:

- A Physical Letter
- An Email Communication
- Verbal Communication (via telephone or Face-to-Face)
- Any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of a client.

h. The communication of complaint if in written form can be send to the following address.

Head – Mid Office
15, Kings Street
London
EC2V 8EA
Email: headmidoffice.sbiuk@statebank.com
Telephone : +44-20-74544325

(Mid Office is entrusted the sole responsibility of handling the MIFID complaints as it is an independent authority)

i. Depending upon the timeframe in which the complaint is resolved, the complaints can be classified and handled in two different methods, which are as under:

- Those which can be resolved within the end of Third Business Day from the following day of its receipt
- Complaints which takes longer than the above time period.

j. The complaint received shall be recorded and assessed as per the format mentioned in Para 6(I). Mid Office shall obtain the full address of the complainant, if the same is not provided in the complaint. Recording of complaints is mandatory irrespective of their timeframe of resolution.

k. Situation I: If the complaint is CLOSED before the end of third business day from the following day on which it is received:

iii. If a complaint is likely to have an readily available resolution and the investigation can be closed within 3 working days, the final decision of either accepting or rejecting the complaint should be communicated to the complainant without any delay in the format(Annexure 8(ii)) prescribed by the bank. The complaint even if it can be handled within the third business day, assessment (As per Annexure 8(I) and investigation/summary of findings needs to be carried out for the same. The final format of the same inter alia contains the format of the alternate dispute resolution mechanism. The format in which the final decision has to be communicated is placed as Annexure 8(ii) to this policy. The final decision to accept or reject the complaint within the third business day lies with Chief Executive Officer (LMB) of the bank under advise from Mid Office.

iv. Example of Third Business Day from the following day on which it is received:
If a complaint is received on 1st day of the Month which falls on a Thursday, the third working day from the following day happens to be Tuesday, 6th of that month.

I. Situation II: If the complaint is <u>NOT CLOSED</u> as at the end of third business day from the following day on which it is received:

i. Once a complaint is not resolved and remained pending or likely to remain pending beyond the third business day from the following day of its receipt, the same will be acknowledged in the bank's approved format (Annexure 8(iii)), within 24 hours from the time of classification of the complaint i.e., before the end of 4th business day from the following business on which it is received. The complaint will then be allotted to a designated official in Mid Office department who will investigate the complaint. As a part of investigation, the complaint will first be assessed in the prescribed format as per the guidelines of FCA (Format to assess a MIFID complaint is placed as Annexure6 (I)).

ii. The investigation official will go through the entire record available with the bank and also can call for additional evidence if any, from the customer during the course of the investigation. The investigation official can seek opinion on the subject matter experts if there is a need. After the conclusion of investigation, the Mid Office department will make the conclusion and recommend the suitable action i.e., to accept or reject the complaint with detailed reasons. The final decision to accept or reject the complaint lies with Chief Executive Officer (LMB) of the bank. The entire process needs to be concluded within FCA stipulated timelines. If the complaint remains outstanding due to the conduct of the investigation beyond 4th/ 8th week, two suitable letters at the end of 4th and 8th week should be sent to the customer in the given formats furnished under annexures 8(iv) and 8(v) respectively.

iii. Once the final decision has been made either to accept or reject the complaint, the same should be communicated to the complainant without any delay in the format furnished under Annexure 8 (vi). The final format of the same inter alia contains the format of the alternate dispute resolution mechanism such as FOS. The complainant shall be informed in the final resolution letter regarding the standard FOS Complaint service if the complainant is eligible complainant in terms of DISP 2.7. In case the complaint is not an eligible compliant, he/she will not have right to approach FOS. The final Resolution shall also contain the steps taken for resolution of the complaint.

1 (IV) MIFID COMPLAINTS – 4 WEEKS HOLDING LETTER

<Enter Date>

<Enter Customer Name>

<Enter House Number, Street Name>

<Enter Town/City>

<Enter County>

<Enter Post Code>

Dear < title and surname >

MIFID Complaint reference no: (Please quote this reference in all correspondence with us).

Further to my letter/email of *[date of latest correspondence]*, we write to inform you that we are in the process of investigating the details of your MIFID Complaint.

We apologise for the delay, and thank you for your patience. We will write to you again as soon as possible, and at the latest within eight weeks from the date we received your MIFID Complaint.

Should you have any queries, or wish to discuss this matter further, please do not hesitate to contact our Customer Services on 0800 532 532 Monday to Friday between 9am to 6pm or your respective branch. Please refer to our website for branch opening times.

Yours sincerely,

<Full Name>

Head – Mid Office

1(V) MIFID COMPLAINTS – 8 WEEKS HOLDING LETTER

[MUST INCLUDE THE FOS DETAILS AND LEAFLET]

<Enter Date>

<Enter Customer Name>

<Enter House Number, Street Name>

<Enter Town/City>

<Enter County><Enter Post Code>

Dear < title and surname >

MIFID Complaint reference no: (Please quote this reference in all correspondence with us).

Further to our letter/email of *[date of the 4 week holding letter]*, we are sorry that we have been unable to write to you with the outcome of our investigation. This is due to *[insert reason for the delay].* We apologise for the delay, and hope to be able to respond to you within *[insert expected response time].*

If you are dissatisfied with the progress of the investigation, in case you are an eligible complainant in terms of FCA DISP 2.7, you may refer your Complaint to the Financial Ombudsman Service free of charge - But you must do so within six months from the date of this letter. If you do not refer your MIFID Complaint in time, the Ombudsman will not have our permission to consider your MIFID Complaint and so will only be able to do so in very limited circumstances. For example, if the Ombudsman believes the delay was as a result of exceptional circumstances. For more information please visit the Financial Ombudsman website and read the guide 'Your Complaint and the Ombudsman'.

The contact details of The Financial Ombudsman Service are:
Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Phone: 08000234567
Website: www.financial-ombudsman.org.uk.

Information on other Alternate Dispute Mechanism can be found at
https://www.legislation.gov.uk/uksi/2015/542/pdfs/uksi_20150542_en.pdf .
and
https://ec.europa.eu/consumers/odr/main/index.cfm?event=main.home2.show&lng=EN

Alternative dispute resolution (ADR) refers to ways of resolving disputes between consumers and traders that don't involve going to court. The government wants to encourage the development of ADR. Better ADR and easier access to it should also be good for all businesses committed to giving their customers the best possible service.

Common forms of ADR are:

- mediation, where an independent third party helps the disputing parties to come to a mutually acceptable outcome
- arbitration, where an independent third party considers the facts and takes a decision that's often binding on one or both parties

In the UK, there are already several large and well-established ADR schemes in regulated sectors. Financial services are also included in the same.

Should you have any queries, or wish to discuss this matter further, please do not hesitate to contact our Customer Services on 0800 0234567 Monday to Friday between 9am to 6pm or your respective branch. Please refer to our website for branch opening times.

Thank you for your continued patience and co-operation in this matter.

Yours sincerely,

<Full Name>

Head - Mid Office

Enc. 'Your MIFID Complaint and the Ombudsman' leaflet

1(VI) FINAL RESPONSE LETTER TEMPLATE

[MUST INCLUDE THE FOS DETAILS AND LEAFLET]

[Date]

[Ref]

<Enter Customer Name>

<Enter House Number, Street Name>

<Enter Town/City>

<Enter County><Enter Post Code>

MIFID Complaint reference number: [MIFID Complaint ref]

Dear [title and surname]

Thank you bringing your concerns to our attention. I write further to your communication via letter/email/telephonic conversation/conversation to the concerns raised through our *[Customer Services/Branch]* on *[date].*

[For FOS referrals]

Thank you bringing your concerns to our attention through the Financial Ombudsman Services.

Your MIFID Complaint

My understanding of your MIFID Complaint is…

My Investigation

From my investigation I found…

Steps taken to resolve the Complaint (if relevant) :

Outcome

To conclude…

[Upheld-Apology and feedback]

Please accept my sincere apologies for the service you received on this occasion as it has fallen short of the standard we aim to provide. I would like to take this opportunity to thank you for your feedback as it is through this process, that we are able to identify certain areas of our business that can be improved.

[Upheld- Apology for Technical issue]

Please accept my sincere apologies for the service you received on this occasion as it has fallen short of the standard we aim to provide. I would like to take this opportunity to thank you for your feedback as it is through this process, that we are able to identify certain areas of our business that can be improved. I would like to inform you that we are currently undertaking an on-going review on systems and procedures to ensure that this issue does not recur.

[Not Upheld]

I trust the above clarifies the situation *<or>* addresses your concerns, nevertheless, I would like to apologise for the inconvenience this matter may have caused you.

[Compensation]

Due to the loss you incurred, I am refunding your fees of £ and in addition, due to the inconvenience suffered, a further goodwill payment of £. The total amount of £ will be credited to your account within *[TAT] /*We have enclose a cheque of £ *[amount]* with this letter.

The Financial Ombudsman

We hope we have resolved your MIFID Complaint to your satisfaction nonetheless, if you do not agree with this Final Response, in case you are an eligible complainant in terms of FCA DISP 2.7, you have the right to refer your MIFID Complaint to The Financial Ombudsman Service for a review of your MIFID Complaint, free of charge - but you must do so within six months from the date of this letter. If you do not refer your MIFID Complaint in time, the Ombudsman will not have our permission to consider your MIFID Complaint and so will only be able to do so in very limited circumstances. For example, if the Ombudsman believes the delay was as a result of exceptional circumstances. For more information please visit the Financial Ombudsman website and read the guide 'Your MIFID Complaint and the Ombudsman'.

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Financial Ombudsman Service
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London
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https://www.legislation.gov.uk/uksi/2015/542/pdfs/uksi_20150542_en.pdf
and
https://ec.europa.eu/consumers/odr/main/index.cfm?event=main.home2.show&lng=EN

Alternative dispute resolution (ADR) refers to ways of resolving disputes between consumers and traders that don't involve going to court. The government wants to encourage the development of ADR. Better ADR and easier access to it should also be good for all businesses committed to giving their customers the best possible service.

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In the UK, there are already several large and well-established ADR schemes in regulated sectors. Financial services are also included in the same.

[Closure]

Thank you for your patience and co-operation in this matter. We look forward for your continued custom *<where applicable>.*

Yours sincerely

<Full Name>

Head –Mid Office

Enc. 'Your MIFID Complaint and the Ombudsman' leaflet

1(VII) FORWARDING OF COMPLAINT TO ANOTHER RESPONDENT

<Enter Date>

To,

Dear Sir/Madam,

MIFID Complaint reference no: (Please quote this reference in all correspondence with us).

We are in receipt of a MIFID Complaint from the following persons on _____ :

Name of the Complainant :

Address of the Complainant :

We have classified this complaint as a MIFID Complaint due to the following reasons :

We forward the enclosed complaint for resolution at your end as we believe it pertains to your institution due to the following reasons :

(Optional in case a part is pertaining to State Bank of India, London Main Branch)

We have attended to the following area pointed out by the complainant and the rest of the complaint needs to be dealt with.

Yours sincerely,

<Full Name>

Head – Mid Office

CC to be marked to the Complainant for information :

<Enter Customer Name>
<Enter House Number, Street Name>
<Enter Town/City>
<Enter County>
<Enter Post Code>

SBI, London Main Branch- Communication Recording Policy

1. *Introduction :*

In terms of Article 16(7) of EU Directive 2014/65/EU, SBI, London Main Branch adopts a policy on Recording of Telephone Conversations and Electronic Communications Policy. As per the EU directive, Records which shall be subject to recording include telephone conversations or electronic communications relating to, at least, transactions concluded when dealing on own account and the provision of client order services that relate to the reception, transmission and execution of client orders. This policy is a part of SBI, London Main Branch MIFID Policy.

2. *Objective of the Policy :*

Objective of this policy is to put in place a frame work to enable the recording of various communications made between SBI, London Main Branch and its Clients by identifying the various channels of communication, specify the technology & recording standards, handling exceptions and record keeping standards.

3. *Identification of the Communication Channels which are subject to recording :*

SBI, London Main Branch recognises the following channels of communication as a medium of conducting the MIFID related business with its clients:

a. SBI UK Email system
b. Bloomberg Email system
c. Chat facilities of Bloomberg or Reuters
d. Landline telephones provided at the Desks of Investment Department, Dealing Room and Treasury Settlement Department (TSD).

Usage of Mobile Phone for engaging in deal making or concluding deal is not permitted. The exceptions are listed in para iii. below. SBI, London Main Branch shall record all the conversations/communications emanating from the telephones/email addresses (irrespective of their nature) of Dealing Room and TSD. A list of current departments which are subject to the said recording is placed as Annexure – I to this policy. The same shall be updated by The Compliance Department from time to time. Communication on any other devise or mode is explicitly prohibited. SBI, London Main Branch explicitly prohibits the conversing on any medium which does not provide for recording or back-up.

4. *Technology specification :*

The recordings will be of technology-neutral in manner and will be stored in a medium which can be retrieved with ease. SBI, London Main Branch shall hold on its record, a certificate issued by relevant service provider certifying the said neutrality.

5. *Recognition of Exceptional Circumstances which render inability to record the communications.*

SBI, London Main Branch recognises the following circumstances which can render inability to record the transaction:

a. Technical Failure
b. Extreme market conditions wherein any delay could cause loss to the interests of the Bank
c. Dealing outside dealing room with requisite permissions

Only Head treasury will be authorised to do dealing in such exceptional. A suitable proof of occurrence of the incidence shall be retained in the record.

6. ***Recordings:***

SBI, London Main Branch will make recordings of all the communications done through the following systems:

a) SBI UK Email system
b) Bloomberg Email system
c) Chat facilities of Bloomberg or Reuters
d) Landline telephones provided at the Desks of Investment Department, Dealing Room and Treasury Settlement Department (TSD).

Records shall be stored in a durable medium, which allows them to be replayed or copied and must be retained in a format that does not allow the original record to be altered or deleted. Records shall be stored in a medium so that they are readily accessible and available to clients on request. The records shall be maintained for a period 7 years from the date of actual communication. In case of clients request for a copy of the communication, the same shall be entertained up to a period of 5 years from the date of communication and in case of any Regulatory corporation such period will extend up to 7 years.

7. ***Instructions from the Client***

SBI, London Main Branch shall receive instructions from client only through the authorised communication channels as defined in para i. above. In the event that a face to face meeting is held to discuss a deal, minutes will be recorded for the same in the following format:

(a) date and time of meetings;
(b) location of meetings;
(c) identity of the attendees;
(d) initiator of the meetings; and
(e) relevant information about the client order including the price, volume, type of order and when it shall be transmitted or executed.

8. ***Notification of Recordings to clients***

SBI, London Main Branch shall notify new and existing clients that telephone communications or conversations between the firm and its clients that result or may result in activities in financial instruments will be recorded. The notification shall be made before the provision of any investment services to new and existing clients.

9. ***Record Retention :***

Subject to the compliance under GDPR rules, State Bank of India, London Main Branch shall retain all the communications/records related to the activities which are subject to MIFID II for a period of Seven Years (7 Years)