

Commodities and Global Markets

Brexit Planning - Frequently Asked Questions

December 2020

1. How is Macquarie's Commodities and Global Markets division planning for Brexit?

For the provision of regulated financial services (excluding physical trading activities) throughout the European Economic Area ("EEA"), Macquarie's Commodities and Global Markets ("CGM") division has previously primarily operated through Macquarie Bank International Limited ("MBIL") using the EU's cross-border 'passporting' rights under the Markets in Financial Instruments Directive ("MiFID") and the Capital Requirements Directive ("CRD IV").

As a consequence of the UK's withdrawal from the EU ("Brexit"), MBIL is likely to lose the benefit of its 'passporting' rights, which will impact its ability to continue to offer financial products and services to clients located in EEA jurisdictions.

Macquarie has therefore implemented a revision to its legal entity and operating strategy that is designed to maintain continuity of service to its EEA clients and counterparties and continue to provide EEA financial products and services to its global client base.

As noted in the answer to question 4 (below), we have obtained from the Central Bank of Ireland ("CBI") and European Central Bank ("ECB") a licence authorising Macquarie Bank Europe Designated Activity Company ("MBE") as a credit institution. MBE will benefit from MiFID and CRD IV 'passporting' rights.

Please note that this communication supersedes the corresponding 'Brexit Planning: Frequently Asked Questions' communications published in February, September and November 2019 and January and September 2020. Further information about the Brexit planning of other Macquarie Group divisions is available at macquarie.com.

2. What are the details of MBE?

MBE is a company registered and headquartered in Ireland. MBE operates from its headquarters in Dublin, and through branches in France and Germany.

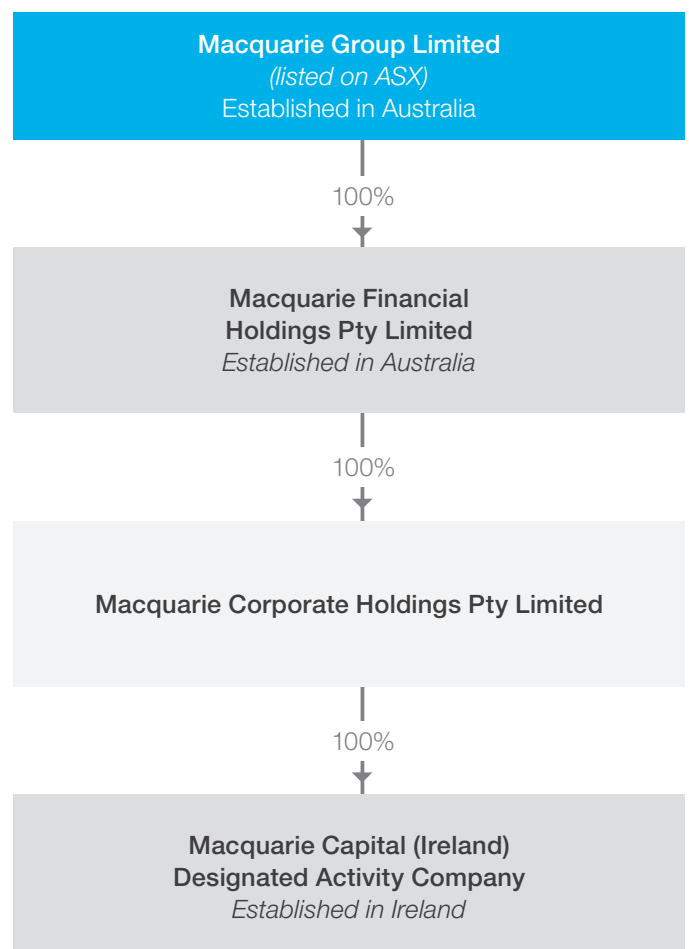
MBE is a direct, wholly-owned subsidiary of Macquarie Bank Limited ("MBL") and an indirect, wholly-owned subsidiary of Macquarie Group Limited ("MGL"), a company incorporated

in Australia and the ultimate parent entity whose shares are listed on the Australian Securities Exchange under the stock code 'MQG'.

MBE was incorporated in Ireland as a designated activity company on 28 September 2018 with registered number 634817. Its Legal Entity Identifier is 549300E5ENQVY2IBLF67.

3. How does MBE fit into the overall Macquarie Group structure?

MBE features in the overall Macquarie Group structure as follows:



4. How is MBE regulated and supervised?

MBE is regulated by the CBI as a credit institution under CRD IV, the Capital Requirements Regulations (Regulation (EU) 575/2013/EU) and the Single Supervisory Mechanism Regulation (Regulation (EU) 1024/2013) ("SSM Regulation") (as implemented in Ireland).

MBE will carry out its business under a licence issued by the ECB, which is granted in October 2019, further to a recommendation from the CBI under section 9 the Central Bank Act 1971 of Ireland.

In addition to regulation by the CBI, MBE will be subject to 'indirect' supervision by the ECB as determined through the authorisation process under the SSM Regulation (as implemented in Ireland).

5. What is the address of MBE?

The registered address for MBE is First Floor, Connaught House, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland. This is also the correspondence address for MBE.

6. How can I obtain further details on company information / KYC?

For onboarding purposes, MBE's certificates of incorporation are available for download at the [Companies Registration Office in Ireland](#).

Tax information in respect of MBE, including Irish Certificates of Tax Residence and United States W-8BEN-E tax forms, can be obtained as described in the answer to question 24.

Onboarding information packs for MBE are available to clients.

If you are a client of CGM and require a copy of the onboarding information pack, please contact COGMODONB-CGMEMEAREquestManagers@macquarie.com.

7. How can I obtain information on MBE's branch offices?

Information on branch office addresses and registration numbers are available on Macquarie Group's [regulatory disclosures page](#).

8. Will MBE have a public credit rating?

MBE has the same [Standard & Poor's](#) credit ratings as its parent, MBL, i.e. "A+ / A-1".

9. To what extent is MBE capitalised?

The capital injected into MBE as at 28 August 2020 was EUR 450 million.

10. When will accounts of MBE be available?

MBE prepared audited financial statements for the period ended 31 March 2020.

11. As a client of CGM, what does this mean for my existing agreements, relationship and how Macquarie interacts with me?

CGM¹ has previously provided EEA clients with banking and investment firm services primarily through MBIL (or, in some cases, MBL London Branch ("MBL LB") which is the UK branch of an Australian entity).

The Brexit transition period is currently due to end on 31 December 2020, and it is expected that there will be significant restrictions on the services that MBIL can offer to most clients that are based in the EEA after that date.

If it is necessary to migrate our relationship with you (and, where necessary, existing transactions) to MBE, your sales and relationship contacts at Macquarie may change. UK-located personnel based in Macquarie Group entities may no longer be able to continue to provide all the services they currently can, and some activities may need to be assumed by personnel employed by MBE. For such cases, we will have already contacted you separately to advise you of the required migration and explain what is needed.

To ensure that we are able to continue to engage with you, please consider what action you may need to take in line with the table below.

Current status	What do you need to do?
Your relationship has already been migrated to MBE, documentation has been completed and your positions have been novated.	No further action is required.
Documentation has been completed and you have agreed with us a future date for migration to MBE and novation of positions.	No further action is required.
You have started discussions with us about your migration to MBE and novation approach.	Please continue these discussions as a matter of priority to finalise repapering of your trade documentation and also complete the documentation for novation. A delay in doing so may impact your ability to continue trading with us.
You are not already in discussions with us regarding the migration of your relationship to MBE or your novation approach.	Please reach out to your usual relationship contact at Macquarie as a matter of priority. A delay in doing so may impact your ability to continue trading with us.

It is currently planned that UK clients will continue to be serviced by MBL LB. It is envisaged that, in due course, MBIL will be wound down and that its UK relationships will be migrated to MBL LB.

¹ For information about CGM and the activities it encompasses, please click [here](#).

12. Will there be any impact on my physical trading activities with Macquarie?

No material impact is anticipated on Macquarie's physical commodity trading activities, which will continue to be undertaken by MBL LB or Macquarie Products (Ireland) Limited, as relevant.

13. Will there be a change to the current products and services I receive as a result of any relationship migration?

It is our expectation that you will continue to be able to access all relevant products and services offered by Macquarie.

14. What is the impact on regulatory reporting, particularly if Macquarie performs delegated reporting for me?

Post-Brexit, the existing EU reporting requirements of MiFID, EMIR and REMIT will be replicated in the UK, with applicable differences in scope and application between the EU and UK versions. We will continue to provide any agreed delegated reporting service for you.

• European Market Infrastructure Regulation ("EMIR")

UK trade repository. Post-Brexit, DTCC UK will no longer be a recognised trade repository under European Securities and Market Authority ("ESMA"). Therefore, a new trade repository has been established in Ireland, DTCC Data Repository Ireland ("DTCC EU"), to support EU EMIR reporting. DTCC UK will remain to support UK EMIR reporting. We are now set up with both DTCC UK and DTCC EU, to continue any relevant EU and UK EMIR reporting obligations of ourselves and our clients pursuant to delegated reporting.

To support both EU and UK EMIR reporting, all accounts and transaction reports will be migrated from DTCC UK to DTCC EU, and all relevant information associated with UK EMIR will be copied over to DTCC UK. If you have set up directly with DTCC to access your transaction reports, then you are likely to have been contacted directly by DTCC with respect to this process.

We will take all action which we believe to be necessary in light of the regulatory and operational uncertainty related to these potential regulatory changes to continue to be able to deliver transaction reporting under EU and UK EMIR for both ourselves and any delegated reporting clients.

• Regulation on Wholesale Energy Market Integrity and Transparency ("REMIT")

Post-Brexit, EU REMIT will continue to apply, although the scope of what is reported may change. In accordance with guidance (available available [here](#)) from Ofgem, the relevant UK energy regulator, there will not be any

immediate UK REMIT reporting obligations, although all other obligations of UK REMIT will be effective.

In order to be able to continue to meet EU REMIT requirements, all counterparties will need to have a valid EU ACER (Agency for the Cooperation of Energy Regulators) code if conducting REMIT activity in EU assets. MBE's EU ACER code is A0016448S.IE.

If your current ACER code was obtained from the UK, you may need to re-register to obtain an EU ACER code to remain compliant post-Brexit; guidance on how to do this can be found [here](#). We will be obtaining an EU ACER code for Macquarie Bank Limited, London Branch and will update you once this has been received. If you are obtaining a new EU ACER code, please update us once you have received it by contacting our [Onboarding team](#).

15. Will MBE provide the same credit lines to clients as they currently have?

Whilst MBE has a dedicated risk team to assess the risk it takes through an entity-specific lens, analysis will be undertaken using the same principles that apply across the broader Macquarie Group.

Credit lines will continue to be assessed and approved on the basis of individual creditworthiness. We do not anticipate that existing credit lines will be materially impacted by changing the legal entity through which we conduct business.

16. Will there be any withholding tax impact of any relationship migration?

For the majority of products offered by MBE, it is not generally expected that, as a consequence of any relationship migration from MBIL or MBL, any additional withholding tax should be levied, either on payments by MBE to its clients or vice versa (or that withholding tax imposed by jurisdictions other than the UK will apply on such payments).

In cases where additional withholding tax arises, then MBE will work with its clients to determine the position and the appropriate action to be taken.

For payments of interest by non-UK borrowers to MBE following any relationship and/or transaction migration, the withholding tax position may be subject to change, depending on, among other things, the country of residence of the borrower, whether or not that country has entered into a double tax treaty with Ireland, and the availability of any domestic law exemptions.

Please note that Macquarie does not provide tax advice. Accordingly, if you have any concerns about your withholding tax position in respect of payments following any relationship and/or transaction migration, you should contact your tax advisor.

However, if you require any further information about MBE, then please contact us as described in the answer to question 24.

17. Will a new set of Terms of Business be applicable?

Impacted clients of MBE will have received updated Terms of Business that apply to the services to be provided; clients can access the updated Terms of Business, and various updated ancillary documents, via the weblink referenced below.

In general, whilst there may be some differences between the Terms of Business which we apply to our UK and Irish businesses arising from differences in applicable rules, these sets of rules are based on common standards set by European law (especially in relation to MiFID investment services) and, in practice, no material change to our obligations or the rights and protections afforded to you by those rules is anticipated.

Our current Terms of Business can be found under 'Terms and Policies' [here](#).

18. How will the applicable Conduct of Business Rules be affected?

MBL LB and MBIL are required to comply with the FCA's Conduct of Business Rules when providing regulated services to you.

Following any required relationship migration, the FCA Conduct of Business Rules will no longer apply to that relationship. Instead, Irish conduct of business rules (or those applicable to the location of the branch which may provide services to you) may apply to the provision of certain services by MBE.

19. Will the Standard Settlement Instructions ("SSIs") change?

The new SSIs of MBE will be distributed via email as a PDF document in due course.

20. How will my data protection rights be affected?

As MBE is subject to the General Data Protection Regulation (EU) (the "GDPR") (as implemented in Ireland), it is not anticipated that any required relationship migration will, of itself, materially affect the protection afforded to any personal data that we process in providing services to you.

MBE will take over as the relevant 'controller' of that data for the purposes of the GDPR.

Following any required relationship migration, your data will be used for the same purposes and in the same manner as it was previously and will be processed in accordance with applicable data protection law. The privacy notices and other information provided by or on behalf of MBL and MBIL will continue to apply, but in relation to MBE.

21. As a depositor with MBE, will my deposits be protected?

Eligible deposits held in accounts with MBE will be protected by the Irish Deposit Guarantee Scheme ("DGS"), administered by the CBI, up to a limit of EUR 100,000.

The categories of deposits which are protected under the DGS up to that limit are set out on the [DGS website](#).

Under the DGS, eligible depositors must be compensated (up to the compensation limit) within 15 working days at present: click [here](#) for details.

If you have any questions regarding the DGS, please visit the [DGS website](#), or contact the CBI by post (Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1, Republic of Ireland), telephone (1890 777 777) or email (info@depositguarantee.ie).

22. What further protection will be available to Irish customers?

Certain businesses with eligible customers will be afforded protection under the CBI's statutory codes of conduct, which include the Consumer Protection Code and SME Regulations.

An alternative dispute resolution mechanism is available through the Financial Services and Pensions Ombudsman ("FSPO"), where applicable. Details of this can be found via the FSPO website [here](#).

23. How will complaint procedures be affected?

Our complaints procedures will not change as a result of any relationship or transaction migration.

24. Who can I contact with questions?

If you are a client of CGM, for any queries or comments related to migration (see the answer to question 11), please contact us by email at macquariecgmbrexitrepapering@macquarie.com. For all other questions or concerns regarding any of the information contained in this notice, please do not hesitate to contact us via your normal relationship contact persons or by email at cgmbrexit@macquarie.com.

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MBL (including its branches) is authorised and regulated by the Australian Prudential Regulation Authority. MBL LB is authorised by the Prudential Regulation Authority, and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of its regulation by the Prudential Regulation Authority are available from us on request (FCA Firm No. 170934). MBIL is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Its firm reference number is 471080.

Macquarie Bank Europe Designated Activity Company is regulated by the Central Bank of Ireland.

Other than MBL, any Macquarie entity referred to in this document is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). That entity's obligations do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of that entity.

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