



Santander UK plc

Time Option Forwards – Information on Means of Payment Exclusion

Effective from September 2024

Time Option Forwards - Restrictions and Exclusion

Time Option Forwards cannot be transacted by Santander UK plc (“Santander UK”, “we”, “us” or “our”) due to restrictions imposed upon us by the Financial Services (Banking Reform) Act 2013 (the “Banking Reform Act”), except as a Means of Payment exclusion from Directive 2014/65/EU as implemented in the UK by the European Union Withdrawal Act 2018 (“UK MiFID”). You should confirm before trading Time Option Forwards with us that the conditions under the UK MiFID Means of Payment exclusion are met (as set out below), by ticking the appropriate box when it appears on screen on the One Trade FX Platform.

For this exclusion to be valid, certain conditions must be met. Under UK MiFID, and as defined in Article 10(1)(b) Commission Delegated Regulation (EU)2017/565, a Means of Payment (‘MOP’) transaction is a transaction that:

- I. must be settled physically (i.e. the underlying asset or payment is delivered in full, however this can take place electronically and does not require paper money to be used as payment¹), unless this is by reason of a default or other termination event,
- II. is entered into by at least a person which is not a financial counterparty (NFC) as defined under Article 2(8) of the European Markets and Infrastructure Regulation, as implemented in the UK by the European Union Withdrawal Act 2018 (“UK EMIR”) (i.e. a corporate entity),
- III. is entered into in order to facilitate payment for identifiable goods, services, or direct investment, and
- IV. is not traded on a trading venue (i.e. the trade is an over-the-counter trade).

Please note that this Means of Payment exclusion does not apply to an option or a swap on a currency, regardless of their duration and whether they are traded on a trading venue.

Further information on the application of the Means of Payment exclusion

The FCA Handbook Perimeter Guidance Manual, PERG Chapter 13.4 contains frequently asked questions (“FAQs”) on the UK MiFID Means of Payment exclusion.

¹ For example, in relation to an FX forward buying USD 5,000 with Euros, the full amount in the relevant currencies would be delivered.

Time Option Forwards - Guidance on Means of Payment Exclusion

The full text of this statement can be found on the FCA website at:

<https://www.handbook.fca.org.uk/handbook/PERG/13/4.html>

You should familiarise yourself with these FAQs to ensure that any Time Option Forward that you wish to transact with Santander UK, and remains, within scope of the UK MiFID Means of Payment exclusion.

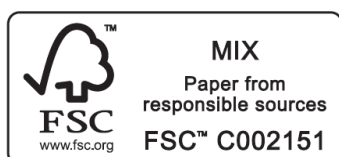
You should have sufficient expertise to understand, and adequate systems in place, to inform us should the Means of Payment exclusion no longer apply to any Time Option Forward.

In the event that you wish to enter into a Time Option Forward that does not qualify for the Means of Payment exclusion (for example because it is a balance sheet hedge, or a transaction for general hedging), you understand that this transaction cannot be completed by Santander UK, and we may refer you or require you to be on-boarded by Santander S.A., London Branch. On-boarding by Santander S.A., London Branch is subject to you meeting their counterparty criteria.

Please refer to your sales person in the event that you have any questions.

Santander UK is able to provide access to literature in alternative formats. If you would like to receive correspondence in an alternative format please contact us at RSGClientOutreach@santander.co.uk.

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