



UBS MTF Market Notice

Transfer of UBS MTF Operator from UBS Limited to UBS AG London Branch

6 September 2018

Dear Member,

We are writing to advise you of the changes that we are making to our legal structure in preparation for Brexit.

Transfer of UBS MTF Operation to UBS AG London Branch

In March 2018, UBS announced that UBS Limited (**UBSL**) will merge into our German subsidiary, UBS Europe SE (**UBS ESE**), before 29 March 2019. Upon the merger, UBSL will be dissolved by operation of law.

Having considered various options, UBS wishes for UBS MTF to remain a UK venue and to that end has decided that UBS AG London branch (**AGLB**) will take over the operation of UBS MTF from UBSL. Should you have a relationship with UBSL outside of your membership of UBS MTF, changes affecting that relationship will be communicated to you separately.

Timing of Transfer

The transfer of the operation to AGLB will take place on **6 October 2018**. This transfer of UBS MTF to AGLB is part of a broader transfer of various elements of UBSL's business in advance of the merger between UBSL and UBS ESE.

What do you need to do?

There is nothing that Members need to do as a result of this change of operator. In particular, there is no need to re-execute the Membership Agreement. Pursuant to Clause 9.2 of the Membership Agreement, UBSL will assign and transfer all its rights and obligations under that Agreement to AGLB. Any continued activity by you through UBS MTF after the date of transfer will be contracted with AGLB, and not with UBSL, and your continued dealings with or through UBS MTF after that date will represent an acknowledgement by you that AGLB is your contractual counterpart under the Agreement rather than UBSL.

We would encourage you to read the information provided in the FAQ document below that should address a number of the questions and issues that you might have.

If you have any queries regarding this notice please contact the UBS MTF Supervisors at +44 207 568 2052 or ubs_mtf@ubs.com.

UBS MTF Management

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UBS MTF Notices and documentation are available at <https://www.ubs.com/mtf>. If you have any queries regarding this notice, or comments on the above, please contact the UBS MTF Supervisors at +44 20 7568 2052 or ubs_mtf@ubs.com.

UBS Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

UBS Limited is a subsidiary of UBS AG.

UBS Limited is a company limited by shares incorporated in the United Kingdom registered in England and Wales with number 2035362. Registered office: 5 Broadgate, London EC2M 2QS.

UBS Investment Bank: UBS MTF

*Information for Members in relation to the transfer of UBS MTF
from UBS Limited to UBS AG London Branch as part of Brexit legal
restructuring*

September 2018

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Terms used in this document

The following terms referring to UBS legal entities are used in this document:

- **UBS:** the UBS group
- **UBS AG:** Our Swiss parent company UBS AG
- **UBS AGLB:** the London branch of UBS AG
- **UBSL:** UBS Limited, the UK authorised entity that is currently the operator of UBS MTF. UBSL is a wholly owned subsidiary of UBS AG
- **UBS ESE:** UBS Europe SE, our German headquartered European bank. UBS ESE is a wholly owned subsidiary of UBS AG.

Section 1: UBS Investment Bank's Response to Brexit

What changes are UBS Investment Bank making in response to Brexit?

In March 2018, UBS announced that in response to Brexit and in the absence of adequate transitional relief being agreed and passed into law by the United Kingdom (**UK**) and the European Union (**EU**), prior to the UK leaving the EU we will merge UBSL into UBS ESE, our German-headquartered European bank (the **Merger**). Prior to the Merger taking effect, UBS will be transferring certain UBSL clients, together with related assets and liabilities, to UBS AGLB.

UBSL will cease to exist after the Merger, so all of UBSL's business will be transferred, either to UBS AG under the UBS AGLB Transfer or to UBS ESE under the Merger.

Our strategy, our business model and the way we serve our clients will not be affected by these changes. UBS MTF will remain as a UK venue and as a result, operation of UBS MTF will transfer to UBS AGLB prior to the Merger.

What does this mean for my UBS MTF Membership?

Your membership of UBS MTF will remain as it is today, except that your contractual relationship will change from UBSL to UBS AGLB.

What is UBS AGLB?

UBS AGLB is the London based branch of UBS AG. UBS AGLB provides financial products and services to clients in the UK, outside the EEA and certain EEA jurisdictions. UBS AG is authorised by the UK Prudential Regulation Authority (**PRA**) and is regulated by both the PRA and UK Financial Conduct Authority.

Does UBS AGLB have authorisation to operate an MTF?

Yes. UBS AGLB has received authorisation from the UK's Prudential Regulation Authority for the operation of UBS MTF.

Are there any operational changes required?

No, there are no operational changes involved for Members.

When will the UBS AGLB transfer take place?

The transfer of the operation of UBS MTF will take place on 6 October 2018.

Will there be any change in the offering of UBS MTF following the transfer of operation to UBS AGLB?

No. UBS MTF will operate as it does today.

Will relationships with CCPs change?

UBS MTF will be transferring its relationship with the current three CCPs to UBS AGLB: there will be no change to Members' relationships or arrangements with their CCP(s) as a result of this transfer.

What will happen to "in-flight" transactions at the time of the transfer?

There will be no "in-flight" transactions as the change will happen between UBS MTF close and re-opening the following day. In any event, the settlement of transactions matched on UBS MTF is matter for Members and the CCPs which will be unaffected

Are there any legal documentation changes required as a result of this transfer to AGLB?

No. The Membership Agreement between UBSL and individual Members will not need to be re-executed. Pursuant to Clause 9.2 of the Membership Agreement, UBSL will assign and transfer all its rights and obligations under that Agreement to UBS AGLB. Any continued activity by you through UBS MTF after the date of transfer will be contracted with UBS AGLB, and not with UBSL, and your continued dealings with or through UBS MTF after that date will represent an acknowledgement by you that UBS AGLB is your contractual counterpart under the Agreement rather than UBSL.

UBS MTF Rulebook and other documentation are not affected by the change.

What about stamp duty liabilities?

UBS MTF will ensure that it registers UBS AGLB as the operator of UBS MTF with the UK and Irish tax authorities to secure the necessary recognition. Members remain responsible for their tax liabilities: see Rulebook section 3.2-3.3]

Is there anything else that I need to do to effect this change?

No, you do not need to make any changes as a result of this transfer of the operation of UBS MTF to UBS AGLB.

Will I be dealing with the same people at UBS after the transfer to UBS AGLB?

Yes, the UBS MTF supervisors and the UBS MTF Management will remain as they are today following the transfer to UBS AGLB.

Section 2: Additional Information

What is happening to my other relationships with UBSL

Depending on the relationships that you have with UBSL, you may be in-scope of further transfers to UBS AGLB or the Merger to UBS ESE. The Merger will be effected by way of a combination of court proceeding under Part VII of the Financial Services and Markets Act 2000 and Cross Boarder Merger and a subsequent dissolution of UBSL by operation of law. Any additional changes will be communicated to you separately. This communication and set of FAQs relates to UBS MTF only.

What will UBS do if transitional arrangements emerge?

UBS is closely monitoring political developments, and will consider these if they provide a more certain timeline and structure for the UK's future relationship with the EU. Until there are any developments which warrant a re-consideration of UBS's position, UBS continues to plan to proceed with the transfer of business to UBS AGLB and the subsequent Merger before the Brexit Date.

Will any other changes be required for Brexit?

Yes. Certain changes will likely need to be made as a result of the UK's departure from the EU. This will not impact the entity operating UBS MTF but references in documentation to "EEA", ensuring that the UK is not excluded from scope if it is no longer in the EU and other logical changes will need to be addressed. UBS MTF Management is considering these potential changes in light of the changing political and regulatory environment. Additional changes will be communicated to Members in due course.

Contact us

Should you have any questions, please do not hesitate to contact the [UBS MTF Supervisors](mailto:ubs_mtf@ubs.com) at +44 207 568 2052 or ubs_mtf@ubs.com.