

## Service Overview

Cavendish Markets provides energy-focused, broking services. Cavendish Markets is regulated in the Netherlands by the Authority of the Financial Markets (Autoriteit Financiële Markten) (“AFM”) and is permitted to receive and transmit orders in relation to one or more financial instruments. Cavendish Markets also provides broking services in physical gas and power products in the European and UK wholesale markets, which fall under the REMIT regulation. Cavendish Markets is an ACER registered OMP. These activities are supervised within the Netherlands by the Authority for Consumers and Markets (Autoriteit Consument and Markt) (“ACM”).

### Broking Services

Cavendish Markets arranges deals via voice-broking, in a range of products, some of which are classified as financial instruments and others not. Cavendish Markets services are only suitable for, and available to, entities that can be classified, and wish to be treated, as a Professional Client or an Eligible Counterparty. Specifically, Cavendish Markets services are not suitable for Retail Clients or individual investors.

### Financial Instruments

Cavendish Markets is an AFM registered Investment Firm. Our AFM licence number is: 14006206. We are permitted to receive and transmit orders in relation to one or more financial instruments (A1: C4, 5, 6, 10). More information can be found directly from the AFM register (<https://www.afm.nl/nl-nl/sector/registers>).

Cavendish Markets arrange deals in two categories of financial instruments:

- 1) Centrally-cleared Instruments, traded on a Recognised Investment Exchange (“RIE”); and
- 2) Financially-settled structured products, traded Over-The-Counter (“OTC”).

Cavendish Markets acts an intermediary to arrange deals in these products, however, the deals are transmitted onwards, for trade execution. Cavendish Markets does not operate a financial trading venue. Two routes to trade execution are supported, both discussed below. Transaction reporting obligations may remain with the transacting counterparties and each client must ascertain their own reporting obligations, as the regulations apply to them.

#### *Exchange Traded Deals*

For exchange traded, centrally-cleared contracts, Cavendish Markets supports multilateral, voice-brokered markets. Cavendish Markets acts as an introductory broker. Once a matching bid and offer are found, contingent agreements to trade are transmitted to the trade registration facilities of the relevant exchange, whereby the deals are executed and given-up to the client’s nominated clearing broker. As these trades are centrally-cleared, each trading party will face the central clearinghouse. The counterparty with whom the deal was arranged remains anonymous.

Cavendish Markets is a non-trading, non-executing member of ICE and EEX, and can provide intermediary services in contracts supported at these venues. To benefit from this service, a client must either be a trading member at the relevant exchange or else be permitted to access the exchange, via an exchange clearing member.



For exchange traded products that fall under REMIT, Cavendish Markets acts as the Organised Market Place (“OMP”) during the negotiation phase of the deal, however, the trade transaction occurs on the exchange OMP.

#### *Bilateral Introductory Service*

Cavendish Markets also offers an introductory arranging service for bespoke, financially settled OTC structured products. These contracts are tailored to each specific deal, based on the specific needs of the counterparties. Cavendish Markets does not provide or require a specific contract template.

Deals are arranged on a bilateral basis. Once arranged, the deals proceed via “name-passing”, for bilateral execution, subject to contract and credit, typically on ISDA terms. These products can carry significant counterparty credit risk.

## Non-Financial Instruments

#### *Bilateral Introductory Service*

Cavendish Markets arranges deals in physical gas and power products in the European and UK wholesale markets, for commercial purposes. These deals involve flexible, OTC contracts and do not include contracts supported by an RIE. For the more commonly traded OTC contracts, Cavendish Markets supports multilateral, voice markets. For the more bespoke products, deals are arranged on a bilateral basis.

Once a deal is arranged, Cavendish Markets introduces the parties via name-passing, for bilateral execution, subject to contract and credit, often on EFET terms. These products can have significant counterparty-specific credit risk. It is assumed that in all the non-financial physical deals arranged, the seller expects to deliver the energy to the buyer, and buyer to take delivery of it.

These products are not considered, nor treated, as financial instruments. Instead, they fall under the REMIT regulation. Cavendish Markets is an ACER registered Organised Market Place (“OMP”). Cavendish Markets reports transactions to ACER via either of the following RRM: Equias eRR and Trayport Complete. To benefit from this service, the client must be signed up with one or other of these RRMs.

#### *Implicit Allocation*

Cavendish Markets is an Implicit Allocation partner for the BBL and IUK interconnector gas pipelines. As such, Cavendish Markets has the right to facilitate the allocation of gas transmission capacity for these pipelines, in accordance with the Implicit Allocation Mechanism (“IAM”), as specified in the Capacity Allocation Mechanism (“CAM”) network code. Sales via the IAM involve the allocation of capacity directly from the Transmission System Operator (“TSO”) to the client. In order to participate in the IAM, the client must be a registered shipper of the TSO.

## Methods of Communication

In the course of providing broking services, Cavendish Markets will receive and transmit client orders. Orders are received and transmitted via a number of recorded media. Specifically, the Eikon and ICE Chat instant messaging services, the Cloud 9 VoIP service, normal telephonic services, email and CM’s own PLEXHUB bulletin-board. Other communication may also occur via postal and courier services. Cavendish Markets services are officially provided in English.





## Standardised Documents

Once a deal has been arranged, the counterparties will receive a standardised deal confirmation file, by email, in a PDF, XML and JSON format, containing all the required information. Furthermore, clients can request to receive daily summaries of all their arranged deals. These standardised “trade recap” files are provided on a T+0 basis, at the end of the trading day. These are again sent by email, in PDF, XML and JSON formats.

## Acting with Integrity

Cavendish Markets aims to deliver the highest levels of professional service. Cavendish Markets has a responsibility to treat its clients honestly, fairly and professionally, in accordance with the best interests of its clients. All clients are treated equally.

In the course of providing broking services, Cavendish Markets both receives and transmits orders from and to clients. These orders are all treated homogeneously. Furthermore, Cavendish Markets strives to ensure that all the deals it arranges are suitable and reflect the intentions of the client. Cavendish Markets will always act in accordance with the best interests of their clients when transmitting client orders to other entities for execution. A copy of our Best Execution and Order Handling Policy is available on request.

Care is taken to ensure any conflicts of interest are identified, managed and mitigated. Should any material conflicts of interest, either actual or potential, remain, Cavendish Markets has a duty to declare these clearly, to you, before providing you any further services. A copy of our Conflicts of Interest Policy is available on request.

Cavendish Markets takes all reasonable measures to ensure the security of your personal data and has a detailed policy indicating what personal data it will process, why it needs to process these data and how it will continue to store these data, after the initial processing use has ended. A copy of our data Privacy Policy is available on request.

## Onboarding

Our terms of our services are laid out in our Energy Broking Agreement. Any potential new clients will be provided a draft of this agreement, to be agreed and executed, prior to the start of any business relationship. If the planned business activities require it, we will also provide a draft of our REMIT Reporting Agreement.

Cavendish Markets have a responsibility to know with whom it is conducting business. As such, all new clients are required to go through an onboarding process. We therefore ask all new clients to provide a range of information. This will be request via a KYC Questionnaire. We also are obliged to revisit and review this information periodically, so will re-request this information from time to time.

## Contacting Us

All relevant contact details are given below, including those for our supervisors: the AFM and ACM.

### *Cavendish Markets*

Website:	<a href="https://www.cavendishmarkets.com/">https://www.cavendishmarkets.com/</a>
Postal Address:	Cavendish Markets B.V. Herengracht 420, 1017 BZ, Amsterdam Netherlands.

Herengracht 420, 1017 BZ, Amsterdam, Netherlands  
Aert van Nesstraat 45, 3012 CA, Rotterdam, Netherlands  
34-35 Berwick Street, London, W1F 8RP, United Kingdom





# CAVENDISH MARKETS

Cavendish Markets B.V.  
NL: +31 (0) 20 299 3254  
UK: +44 (0) 203 103 0044  
[www.cavendishmarkets.com](http://www.cavendishmarkets.com)

Phone:	+31 (0)20 299 3254
Email:	<a href="mailto:support@cavendishmarkets.energy">support@cavendishmarkets.energy</a>

Please email all type of enquiries and/or complaints to: [support@cavendishmarkets.energy](mailto:support@cavendishmarkets.energy). Your message will be promptly dealt with. While we strive to ensure there are none, any complaints will be taken extremely seriously. All complaints will be handled by the Management Board. Alternatively, our UK telephone number and alternative postal addresses are also given at the top and bottom of the page, respectively.

#### *Authority of the Financial Markets*

Website:	<a href="https://www.afm.nl/">https://www.afm.nl/</a>
Postal Address:	Authority for the Financial Markets (AFM) P.O. box 11723 1001 GS, Amsterdam Netherlands.
Phone:	+31 (0)20 797 2000
Fax:	+31 (0)20 797 3800
Email:	<a href="mailto:info@afm.nl">info@afm.nl</a>

#### *Authority for Consumers and Markets*

Website:	<a href="https://www.acm.nl/">https://www.acm.nl/</a>
Postal Address:	Authority for Consumers and Markets (ACM) PO Box 16326 2500 BH, The Hague Netherlands.
Phone:	+31 (0)70 722 2000
Fax:	+31 (0)70 722 2355

Herengracht 420, 1017 BZ, Amsterdam, Netherlands  
Aert van Nesstraat 45, 3012 CA, Rotterdam, Netherlands  
34-35 Berwick Street, London, W1F 8RP, United Kingdom

