

Primary Dealer Contract in Danish T-bills

The Danish Government Debt Management at Danmarks Nationalbank, herein subsequently referred to as Government Debt Management, agent of the Ministry of Finance, and the <name of the institution> enters into this primary dealer contract

The contract becomes effective on 1 January 2023 and continues until terminated by either party, cf. Article 5.1.

For Government Debt Management,

.....
(Date and signature)

.....
(Date and signature)

.....
(Name)

.....
(Name)

.....
(Function)

.....
(Function)

For <name of financial institution>

.....
(Date and signature)

.....
(Date and signature)

.....
(Name)

.....
(Name)

.....
(Function)

(Function)

.....
(Function)

(Function)

1. Terminology

The following terms in this agreement have the meanings defined herein:

Primary Dealer in T-bills:

An institution which is party to a contract for Primary Dealers in T-bills with Government Debt Management.

Primary Dealer Committee:

Committee formed by Government Debt Management and Primary Dealers in T-bills with the purpose of supporting liquidity and transparency in Danish T-bills and to provide a forum for exchange of information and resolution of problems..

Market making:

Quoting of two-way prices for Danish T-bills for a minimum of 5 hours per day within 9:00 – 16:30 with a maximum spread and for minimum amounts defined by the Government Debt Management in consultation with the Primary Dealers in T-bills.

T-bills:

In this contract the term "T-bills" refers to Danish T-bills

Governing framework:

The framework by Government Debt Management activities in the primary and secondary market.

Chosen platform(s):

Trading platform(s) used for market making in the secondary market for Danish T-bills. In consultation with Government Debt Management, the Primary Dealer Committees in bonds and T-bills elect the platform(s) used for market making.

2. Privileges of Primary Dealers in T-bills

The Primary Dealers in T-bills have the right to:

- 2.1. carry the title of "Primary Dealer in Danish T-bills".
- 2.2. participate in Government Debt Management's T-bill auctions.
- 2.3. participate as counterparts in other activities of Government Debt Management in the T-bill segment.
- 2.4. use the securities lending facility of the central government according to the stipulation in the "Terms for the Central-Government's Lending Facilities for T-bills".
- 2.5. participate in meetings of the Primary Dealer Committee.

- 2.6. advise and discuss with Government Debt Management developments in the T-bill segment.

The privileges do not apply to, and cannot be extended to, third parties.

3. Obligations of Primary Dealers in T-bills

Primary Dealers in T-bills are required to:

- 3.1. be active counterparts in Government Debt Management's activities in the T-bill segment.
- 3.2. be market makers in T-bills with more than 1 month remaining maturity.
- 3.3. quote two-way prices in T-bills for a minimum of 5 hours per trading day starting 9.00 until 16.30.
- 3.4. actively promote and increase awareness of Danish T-bills.
- 3.5. make every effort to support a well-functioning market, and to prevent occurrences of market failures, i.e. be obliged to generally display good code of conduct. Accordingly, Primary Dealers in T-bills should abstain from activities that will result in market failures, and be obliged – within reason – to perform activities, which eliminate or reduce the risk of market failures.
- 3.6. display good code of conduct in the clearing and settlement of trades ensuring high settlement rates in the settlement institutions clearing trades. Similarly, good code of conduct is required in the use of the securities lending facility of the central government.
- 3.7. regularly report to Government Debt Management on developments in financial markets and specific developments affecting Danish T-bills.
- 3.8. accept automatically transmitted reports to Government Debt Management from the elected platforms regarding their turnover of Danish T-bills and regarding their quoting of prices related to the market making obligation.

4. Amendment of this contract and the supplementary governing framework

- 4.1. This contract may be amended if so agreed by the undersigned parties.
- 4.2. The governing framework concerning T-bills may be amended by Government Debt Management after consulting with Primary Dealers in T-bills.

5. Termination

- 5.1. This contract continues until terminated by either party.

- 5.2. Government Debt Management may, at any time, cancel this contract with any Primary Dealer in T-bills for a fixed period or altogether without any term of notice.
- 5.3. The Primary Dealers in T-bills may cancel this contract with the Danish Government Debt Management with effect at the end of the following month after having given a written notice of termination.

6. Governing law

This contract shall be governed by Danish law, and The Courts of Denmark shall have exclusive jurisdiction to settle any disputes in connection to this agreement. Venue shall be Copenhagen.