



MarketAxess NL B.V. - MIFIDPRU Disclosures

Introduction

MarketAxess NL B.V. (“MANL” or the “Firm”) is a private limited company incorporated in the Netherlands. The Firm is authorised and regulated as an operator of a Multilateral Trading Facility (“MTF”) pursuant to the Markets in Financial Instruments Directive (“MiFID”) by the AFM in the Netherlands. The MTF operated by the Firm enables fixed-income market participants to efficiently trade corporate bonds and other types of fixed-income instruments using patented trading technology.

MANL is part of a UK Investment Fund Group (“IFG”), at the Parent level (MarketAxess Limited) as required under the UK prudential regime (“MIFIDPRU”).

MANL is authorised and regulated by the Autoriteit Financiële Markten (“AFM”), and this document sets out the Investment Firm Prudential Regime public disclosures as required in respect of the provisions of the EU IFR/D.

Scope of Application

Disclosures are made in respect of MANL on an individual basis, as at 31 December 2024, the firm’s accounting reference date.

Frequency

The Firm will publish the disclosures annually in conjunction with the annual financial statements, or more frequently if there is a major change to the business.

Means of Disclosure

The disclosure will be published on our website:

<https://www.marketaxess.com/legal/europe>

Verification

The information contained in this document has not been audited by the Firm’s external auditors and does not constitute any form of financial statement and must not be relied upon in making any judgement on the Firm.

Risk management and objectives

Governance Arrangements

The MANL Board plays a crucial role in risk and resilience oversight and has a responsibility to understand thoroughly the Firm’s risk and resilience profile and the nature of the risks and operational resilience events it faces.



The MANL Board oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the firm, including the three lines of defence in the organisation and the prevention of conflicts of interest in order to promote the integrity of the market and the interests of clients.

Summary of Diversity Policy

The Firm's ongoing commitment to diversity and inclusion continues. The Firm identifies members for the Board of Directors by evaluating the balance of knowledge, skills, diversity and experience as a whole to ensure that it is sufficient and allows for succession planning.

MANL Board Composition

Under EU IFR/D MANL is required to disclose the number of directorships (executive and non-executive) held by each member of the Board.

Director	Role	Number of directorships
Mr Richard M McVey	MarketAxess Executive Chairman	1
Mr Christophe P D Roupie	Head of EMEA & APAC	2
Mr Christopher R Concannon	Chief Executive Officer – Administration	1
Mr Geoffroy Vander Linden	Country Head – Netherlands Administration	1
Mrs Rhian Ravenscroft	Head of Legal , EU Legal & Compliance	1

1. As per EU IFR/D executive or non-executive directorships held within the same group count as a single directorship.

Risk Committee

MANL is not subject to EU IFR/D which requires a non-SNI investment firm to establish a risk committee.

Enterprise Risk and Resilience Framework

The Firm operates a comprehensive Enterprise Risk and Resilience Framework ("ERRF") through which its risks and business services are identified, assessed, monitored and controlled.

Risk and Resilience management plays a crucial role in support of our financial performance and operational stability. The Firm has structured its Risk and Resilience activities across the Three Lines of Defence model. Under this model responsibilities and accountabilities for risk management and compliance reside with the appropriate departments that undertake the day-to-day activities, with appropriate policies, limits, checks and controls implemented by independent functions.

The ERRF is designed to meet the Firm's risk and resilience management obligations. It includes:

1. The Governance processes and mechanisms, by which decisions are made, actions are delegated, and accountability is enforced.
2. The Risk and Resilience Practices that identify, measure, manage, monitor and report risk and resilience effectively.



3. The Risk Language that the Firm uses consistently to identify and assess risks, to develop risk policies and facilitate risk aggregation and reporting.
4. The Culture, Behaviours and Values that the Firm promotes to encourage transparency, honesty and integrity.

Risk Policies

The ERRF is structured around a set of defined risk categories which serves as a reference point for the Firm-wide application of the risk management cycle. Risk policies set out specific requirements to be applied in the management of each risk category/type. Risk and compliance policies are in place for all material risk categories, including own funds requirements, concentration risk and liquidity.

The policy framework is a core component of the Firm's governance and supports the overall system of risk management and internal control. A key element of the policy framework is the suite of Risk policies that covers the key risk areas faced by the organisation and supports the ERRF to facilitate effective risk management. These cover the level 1 risks and other key and material risks faced by the Firm, and relevant regulatory and legislative requirements.

Risk Appetite

The Risk Appetite sets out where the Firm will take risk and where it will not take risk, to support MarketAxess Holdings' Purpose.

Risk Appetite is used to:

- Support risk-based decision making at all levels of the organisation.
- Set Tolerances, Limits, Thresholds, and other risk metrics throughout the organisation.
- Evaluate our risk management performance.

The Firm's risk appetite is monitored through a range of processes set out in the ERRF (e.g. KRIs and RCSA). The collection, review and challenge of the Firm's risks vs. appetite is supported by the Risk Department who also provide independent review and challenge the metrics on an annual basis. This risk management dashboard is provided to the Firm's Board periodically and a key element of this program. Where the risk is approaching a threshold management action is taken to bring the risk back within threshold boundaries or to accept the risk.

Three lines of Defence

MANL's governance and risk management structure is designed such that there are three lines of defence. The three lines of defence model distinguishes between functions that own and manage risk, functions that oversee risk and functions providing independent assurance as described below:

1. First Line of Defence; the business areas are responsible for identifying, assessing, managing, monitoring and reporting their own risks.
2. Second Line of Defence; the Risk Management and Compliance department ensure that well designed risk and compliance frameworks are in place for the first line to adhere to. They also provide independent oversight and challenge of the execution of the frameworks.
3. Third Line of Defence; Internal Audit provides independent testing and verification of the business lines compliance with the frameworks, including the assurance that risk and compliance processes are embedded and functioning as designed.

Risk Department



As part of the second line of defence, the Risk department is an integral part of the entire management and control governance system. The system incorporates the identification, assessment, management, monitoring and reporting of risks. The ability to effectively manage risk is important for ensuring that the organisation is operating in a manner consistent with the expectations of the Firm's Board.

The Risk function provides support by:

- Exerting independent oversight of the Firm's adherence with risk management policies and procedures,
- Providing the Firm with risk management advice and expertise,
- Monitoring a number of qualitative and quantitative measures to ensure that the businesses risks remain within acceptable levels. Using these measures, the Firm produces a number of risk intelligence reports which are disseminated through the governance structures at all levels as appropriate to provide an independent view of risk exposures.

Risk Identification and Assessment

Risks are identified through continual assessment and monitoring. Identified risks are recorded in the firm's risk register and forms the basis of determining the adequate own funds and liquid assets requirements through the ICLAAP process.

Risk Monitoring and Reporting

MANL ensures that its risk management includes effective risk monitoring and reporting. Clear escalation lines exist ensuring that senior management is provided with the necessary information regarding the firm's material risks.

Through its risk management and governance structure, and as part of its Internal Capital and Liquidity Adequacy Assessment process ("ICLAAP"), MANL has in place appropriate arrangements to manage the risks and harms that it faces.

Own Funds

As a EU IFR/D investment firm MANL is required to disclose the composition of its own funds, and how these reconcile with the capital in the balance sheet in the audited financial statements. A reconciliation of the Firm's financial statements for the year ended 31 December 2024 to regulatory own funds is shown below:



Composition of regulatory own funds		
Item	Amount (EUR thousands)	Source based on reference numbers / letters of the balance sheet in the audited financial statements
Own Funds	39,849	
Tier 1 Capital	39,849	
Common Equity Tier 1 Capital	39,849	
Fully paid up capital instruments	5,000	Note 9
Share premium		
Retained earnings	34,849	
Accumulated other comprehensive instruments		
Other reserves		
Adjustments to CET1 due to prudential filters		
Other funds		
(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
CET1: Other capital elements, deductions and adjustments		
ADDITIONAL TIER 1 CAPITAL	-	
Fully paid up, directly issued capital instruments		
Share premium		
(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
Additional Tier 1: Other capital elements, deductions and adjustments		
TIER 2 Capital	-	
Fully paid up, directly issues capital instruments		
Share premium		
(-) TOTAL DEDUCTIONS FROM TIER 2		
Tier 2: Other capital elements, deductions and adjustment.		

The table below provides details of MANL's balance sheet along with cross references to the composition of MANL's regulatory own funds detailed above.

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements		
	Balance Sheet	Cross reference OF1
	As at December 31, 2024	As at December 31, 2024
	Amount (EUR thousands)	
Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements		
Trade and other receivables	1,396	
Cash and cash equivalents	40,195	
Fixed Assets & Intangibles	1,374	
Total Assets	42,965	
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements		
Trade and other payables	(3,116)	
Financial liabilities held at fair value		
Total Liabilities	(3,116)	
Shareholder's Equity		
Share capital	5,000	
Retained earnings	34,849	
Total Shareholder's equity	39,849	1 (Own Funds above)

Own funds: main features of own instruments issued by the Firm.

MANL's own funds consists of retained earnings and issued and fully paid-up share capital.

Own Funds Requirements



MANL's own funds requirements are determined with reference to the rules under EU IFR/D. This is the minimum capital required to be held by the Company. The own funds requirements are calculated as the greater of:

- Permanent Minimum Requirement
- The K-Factor Requirement; or
- Fixed overheads requirement.

A summary of these requirements as at 31 December 2024 is shown below:

Permanent Minimum Requirement	€'000s
Per MIFIDPRU 4.4	
Total Permanent Minimum Requirement	150

K Factor	€'000s
Sum of K-NPR, K-CMG, K-TCD, and K-CON	133
Total K-Factor	133

Fixed Overhead Requirement	€'000s
Based on audited accounts as at 31 Dec 2023	
Total Fixed Overhead Requirement	3,256

Assessing the adequacy of own funds

The adequacy of the own funds of MANL is assessed as part of the Internal Capital and Liquidity Adequacy Assessment process ("ICLAAP"). Under the ICLAAP process MANL ensures that it meets the Own Funds Adequacy Rule ("OFAR") at all times. The OFAR requires a firm to hold adequate own funds and liquid assets to ensure that:

- The firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- The firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

The ICLAAP process is subject to the ongoing scrutiny and challenge by the MANL Board who are ultimately responsible for the ICLAAP. The results of the most recent ICLAAP have determined that MANL holds sufficient own funds and liquid assets to comply with and meet the OFAR.

Remuneration



MANL is subject to the EU IFR/D Remuneration code. Relevant remuneration disclosures are published on our website:

<https://www.marketaxess.com/pdf/nl-remuneration-disclosure.pdf>