



# Last Look Information for Foreign Exchange

---

The Toronto-Dominion Bank (“TD”) provides liquidity in FX spot, FX forward, FX swaps and non-deliverable FX forward transactions to its clients by streaming indicative prices across various electronic trading platforms. When a client receives TD’s indicative price and submits a request to trade on an electronic platform, TD is not obligated to accept the trade request, and may, at its sole discretion, accept or reject the trade request. For risk and credit management reasons, TD applies a number of pre-trade checks and controls prior to acceptance of a trade request, including a price check referred to as “Last Look”.

Last Look, is performed by TD to determine whether the difference between the price of the client’s trade request and the updated price TD is prepared to make available to the client falls within TD’s price tolerance threshold. TD uses Last Look to minimize the likelihood of a client executing trades at stale prices that are not reflective of current market prices. A number of factors, including technical issues, latency (and resulting latency arbitrage) and pricing errors, can cause a client to send a trade request with a stale price.

Last Look applies to all of TD’s client facing electronic trading. TD’s electronic prices and Last Look price tolerance threshold may vary by client for identical transactions based on a number of client specific factors, including connection type, trading platform, and trading patterns. Given the nature of Last Look, a client’s specific price tolerance threshold may be changed by TD without prior notice.

If the client’s trade request falls outside of TD’s price tolerance threshold the trade will be rejected. If the client requested price falls within TD’s price tolerance threshold the trade will be accepted. Last Look is performed symmetrically, meaning that the same client specific tolerance level is applied for price movements in either direction. The symmetry of TD’s last look mechanism means that trade requests which are in TD’s favour are treated the same way as trade requests which are in the client’s favor. TD’s symmetric last look applies to all of TD’s client facing electronic trading.

A trade request can also be rejected by TD for reasons unrelated to Last Look, including but not limited to, lack of available credit or technical issues. TD will provide clients with information around their rejected trades upon request.

## Frequently Asked Questions

### 1. Is TD’s Last Look symmetric?

Yes, TD’s last look mechanism is symmetric. Identical rejection logic is applied for price movements in either direction. This means that regardless if the trade request is in TD’s favour, or in the client’s favour, the trade request is treated the same way by the Last Look mechanism.

### 2. Does TD use the information associated with Last Look rejected trades?

No, during the Last Look window, information about client trade requests, unexecuted orders and other client information associated with Last Look is only used internally for the purpose of determining if a trade request falls within TD’s price threshold.

### 3. Does TD impose a hold time as part of its Last Look check?

TD defines hold time as an explicit delay which is programmed to allow TD to capture future client-price updates and use them in the Last Look check. TD does not impose a hold time. Inherent system latency aside, as soon as a client trade request is received by TD, the most current client-specific reference price is captured for Last Look purposes. After the Last Look reference price is captured a credit check is performed, followed by the Last Look price check. Note that TD’s credit check latency increases TD’s response time to a client’s trade request, thus increasing the amount of time that a client will wait to observe whether the trade request was accepted or rejected. TD does not perform any hedging activity related to the trade request during the credit check window or during the Last Look check.