

Tradeweb Direct ATS Bid-Wanted Disclosure

1. Description of the Tradeweb Direct ATS

Tradeweb Direct LLC (“Tradeweb Direct” or the “Firm”) is registered as a U.S. broker/dealer with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”), the Municipal Securities Rulemaking Board (“MSRB”), and the Securities Investor Protection Corporation (“SIPC”). Tradeweb Direct’s primary business is to operate an alternative trading system (“ATS”) for taxable and tax-exempt fixed income securities (“Tradeweb Direct ATS” or “System”). Each subscriber to the Tradeweb Direct ATS (“Subscriber”) must be registered as a broker dealer under the Securities Exchange Act of 1934 (“Exchange Act”). All transactions on the Tradeweb Direct ATS are cleared and settled between Subscribers using their own procedures and systems. Tradeweb Direct receives compensation from Subscribers in the form of usage fees for access to the Tradeweb Direct ATS, or a mark-up or mark-down on executed transactions on a riskless principal basis.

2. MSRB Rule G-43

Rule G-43 describes the duties of a broker’s broker. The role of a broker’s broker is that of intermediary between selling dealers and bidding dealers. The term “broker’s broker” means a dealer that principally effects transactions for other dealers. An ATS, registered as such with the SEC, is not a broker's broker for purposes of Rule G-43 if, with respect to its municipal securities activities, it follows certain provisions of Rule G-43 relating to its operational policies and procedures, herein defined as the “ATS Exemption”. The Tradeweb Direct ATS is operated under the ATS Exemption as detailed in Section 4 below.

3. The Tradeweb Direct ATS “Bid-Wanted” Process

A bid-wanted is an auction for the sale of municipal securities in which:

- The seller does not specify a minimum or desired price for the securities that are the subject of the auction at the commencement of the auction.
- The identities of the bidders (potential buyers in bid-wanted) and the seller are not disclosed to each other prior to the conclusion of the auction.
- The bidders submit bids for the auctioned securities to the Tradeweb Direct ATS.
- The seller decides whether to accept the winning bid.

4. Operational Policies and Procedures

The Tradeweb Direct ATS is operated under the ATS Exemption and conducts bid/offer-wanted for municipal securities in the following manner. The Firm will:

1. only use automated and electronic means to communicate with bidders and sellers in a systematic and non-discretionary fashion. However, communications that are solely clerical or ministerial in nature and communications that occur after a trade has been executed may occur;
2. limit its customers to SMMPs;
3. inform the requesting seller of the highest bid in a bid-wanted and the requesting buyer of the lowest offering in an offer-wanted;
4. confirm via email any bids or offers submitted after the due in time. Trade Support will communicate all such bids or offers to the requestor by entering all such bids and offers into the System;
5. not change a bid price or offer price without the bidder's or seller's respective permission;
6. not maintain municipal securities in any proprietary or other accounts, other than for clearance and settlement purposes. Municipal securities positions may be maintained in the Firm error accounts in the event errors are made;
7. not engage in "self-dealing";
8. not encourage bids or offers that do not represent the fair market value of municipal securities that are the subject of a bid/offer-wanted;
9. not give preferential information to participants in bid/offer-wanted, including but not limited to, "last looks," directions to a specific participant that it should "review" its bid or offer or that its bid or offer is "sticking out". However, at the direction of the requesting seller or buyer Trade Support will confirm a participant's bid price or offer price;
10. not selectively inform participants in bid/offer-wanted whether their bid or offer is being used in the bid-wanted. The Firm is prohibited from accepting a changed bid or offer or a new bid or offer from a participant in bid/offer-wanted in the same bid/offer-wanted after having selectively informed that participant whether its bid or offer is being used;
11. not provide any person other than the requesting seller or buyer (which may receive all bid or offer prices) and the participant with the winning bid or offer (which may only receive notice that its bid or offer is the winning bid) with information about bid or offer prices, until the bid/offer-wanted has been completed, and
12. maintain records for all changed bids or offers. For changes communicated via the phone Trade Support will send a negative consent email stating that the change has been made at the instruction of the participant and the email will record the full name of the person at the participant that authorized the change and the full name of the relevant Trade Support personnel who inputted the change.