1.1.1.1

Form ATS Page 1 Execution Page	**UNITED STATES SECURITIES AND EXCHANGE COMMISSION** **WASHINGTON, D.C. 20549** **INITIAL OPERATION REPORT, AMENDMENT TO INITIAL OPERATION REPORT AND CESSATION OF OPERATIONS REPORT FOR ALTERNATIVE TRADING SYSTEMS**	Date filed (MM/DD/YY): 09/18/18	OFFICIAL USE ONLY

WARNING: Failure to keep this form current and to file accurate supplementary information on a timely basis, or the failure to keep accurate books and records or otherwise to comply with the provisions of law applying to the conduct of alternative trading systems would violate the federal securities laws and may result in disciplinary, administrative or criminal action.

INTENTIONAL MISSTATEMENTS OR OMISSIONS OF FACTS MAY CONSTITUTE CRIMINAL VIOLATIONS

☐ INITIAL OPERATION REPORT ☒ **AMENDMENT TO INITIAL OPERATION REPORT** ☐ CESSATION OF OPERATIONS REPORT

1. Exact name, principal business address, mailing address, if different, and telephone number of alternative trading system:

   A. Full name of alternative trading system (if sole proprietor, last, first and middle name):

   CitiBLOC

   B. Name(s) under which business is conducted, if different from Item 1A:

   CitiBLOC is owned and operated by Citigroup Global Markets Inc. ("CGMI")

   C. CRD Number: 7059

   D. SEC File No.: 8-008177

   E. If this filing makes a name change on behalf of the alternative trading system, enter the previous name and specify whether the name change is of the _____ alternative trading system name (1A), or ______ business name (1B):

   F. Alternative trading system's main street address (Do not use a P.O. Box):

   388-390 Greenwich St., New York, NY 10013-2396

   G. Mailing address (if different):

   Same as above

   H. Business telephone and facsimile number:

   (212) 723-7700
   (Telephone) (Facsimile)

   I. Contact employee:

   Steve Keltz, Director and Asst. General Counsel (212) 723-4737 (646) 291-1445
   (Name and Title) (Telephone Number) (Facsimile)

EXECUTION: The alternative trading system consents that service of any civil action brought by, or notice of any proceeding before, the SEC or a self-regulatory organization in connection with the alternative trading system's activities may be given by registered or certified mail or confirmed telegram, to the alternative trading system's contact employee at the main address, or mailing address if different, given in Items 1F and 1G. The undersigned, being first duly sworn, deposes and says that he/she has executed this form on behalf of, and with the authority of, said alternative trading system. The undersigned and alternative trading system represent that the information and statements contained herein, including exhibits, schedules, or other documents attached hereto, and other information filed herewith, all of which are made a part hereof, are current, true, and complete.

Date: ________________________________ Citigroup Global Markets Inc.
(MM/DD/YY) (Name of applicant)

By: ____ ____________
(Signature) (Printed Name and Title)

Subscribed and sworn before me this ___ day of ___,_______ by ____________________________________
(Month) (Year) (Notary Public)

My Commission expires ______ County of ___New York______ State of _____New York____________________

This page must always be completed in full with original, manual signature and notarization.
Affix notary stamp or seal where applicable.

DO NOT WRITE BELOW THIS LINE - FOR OFFICIAL USE ONLY

Alternative trading system name: CitiBLOC CRD Number: 7059

Filing Date: ________________ SEC File Number: 8-008177

2. If this is an initial operation report, the date the alternative trading system expects to commence operation: N/A

3. Attach as Exhibit A, a description of classes of Subscribers (for example, broker-dealer, institution, or retail). Also, describe any differences in access to the services offered by the alternative trading system to different groups or classes of Subscribers.

4. Attach as Exhibit B:

   a. A list of the types of securities the alternative trading system trades (for example, debt, equity, listed, Nasdaq NM) or, if this is an initial operation report, the types of securities it expects to trade. Note whether any types of securities are not registered under Section 12(a) of the Exchange Act of 1934 ("Exchange Act").

   b. A list of the securities the alternative trading system trades, or if this is an initial operation report, the securities it expects to trade. Note whether any securities are not registered under Section 12(a) of the Exchange Act.

5. Attach as Exhibit C, the name, address, and telephone number of counsel for the alternative trading system.

6. Attach as Exhibit D, a copy of the constitution, articles of incorporation or association, with all amendments, and of the existing by-laws or corresponding rules or instruments, whatever the name, of the alternative trading system. If this information is publicly available on a continuous basis on an Internet site controlled by the alternative trading system, the alternative trading system may indicate the location of the Internet web site where such information may be found in lieu of filing such information with the Commission.

7. Attach as Exhibit E, the name of any entity, other than the alternative trading system, that will be involved in operation of the alternative trading system, including the execution, trading, clearing and settling of transactions on behalf of the alternative trading system. Provide a description of the role and responsibilities of each entity.

8. Attach as Exhibit F, the following information:

   a. The manner of operation of the alternative trading system;

   b. Procedures governing entry of orders into the alternative trading system;

   c. The means of access to the alternative trading system;

   d. The procedures governing execution, reporting, clearance and settlement of transactions effected through the alternative trading system;

   e. Procedures for ensuring Subscriber compliance with system guidelines; and

   f. A copy of the alternative trading system's Subscriber manual and any other materials provided to Subscribers.

9. Attach as Exhibit G, a brief description of the alternative trading system's procedures for reviewing system capacity, security and contingency planning procedures.

10. If any other entity, other than the alternative trading system, will hold or safeguard Subscriber funds or securities on a regular basis, attach as Exhibit H the name of such entity and a brief description of the controls that will be implemented to ensure the safety of such funds and securities.

11. Attach as Exhibit I, a list providing the full legal name of those direct owners reported on Schedule A of Form BD.

Exhibit A

A description of classes of subscribers. Also, describe any differences in access to the services offered by the alternative trading system to different groups or classes of subscribers

All market participants that access CitiBLOC either directly through a FIX connection or by directing an order to CitiBLOC through a CGMI trading desk or an affiliate of CGMI using the CGMI algorithmic product suite are Subscribers to CitiBLOC. Subscribers may be Institutional clients of CGMI, including money managers and broker dealers. Trading desks of CGMI and its affiliates may also have access to CitiBLOC.

All Subscribers (as well as CGMI and its affiliates when using CitiBLOC) are held to the same rules and standards. CitiBLOC may deny access to any Subscriber who does not meet the required Normalized Firm-up Rate Controls as described in Exhibit F.

Prior to being granted access to CitiBLOC, each prospective Subscriber is reviewed and approved according to CitiBLOC's onboarding procedures.

Orders of market participants that are clients of CGMI but who do not send directed orders to CitiBLOC may nonetheless have their orders executed in CitiBLOC. This is because CitiBLOC is an available venue for CGMI's algorithmic product suite. This latter set of market participants are not considered subscribers of the ATS; rather they are clients of CGMI executing orders through CGMI's algorithmic product suite. Firms accessing CitiBLOC through CGMI's algorithmic product suite may be subject to additional terms and conditions imposed by a CGMI affiliate or a third-party broker dealer using that algorithm or router; and/or may experience additional latency introduced by passing through additional systems and connections unbeknownst to CitiBLOC employees. Where Citi's algorithmic product suite have sent an order to CitiBLOC that was not directed by a Subscriber, CitiBLOC will, if there is a potential to be executed, request the Firm-up of the non-directed conditional order from the algorithmic product suite rather than the market participant.

Exhibit B

a. A list of the types of securities the alternative trading system trades (for example, debt, equity, listed, NASDAQ NM).

CitiBLOC offers trading in all National Market System ("NMS") securities as defined in Rule 600(b)(47) of Regulation NMS that are Continuous Net Settlement ("CNS") clearing eligible at the National Securities Clearing Corp ("NSCC"). CitiBLOC does not accept any security that is not registered under Section 12(a) of the Exchange Act of 1934.

b. A list of the securities the alternative trading system trades.

CitiBLOC expects to trade all NMS securities, as such term is defined in Rule 600(b)(47) of Regulation NMS, other than those securities from which CGMI is restricted from trading by virtue of law, rule, regulation or internal Citigroup policy, including, without limitation, those securities that appear on Citigroup's then-current Restricted Trading List. Citigroup's Restricted Trading List is divided into four categories, which signify different levels of restrictions. The only category relevant to CitiBLOC is Category 4, which restricts trading in certain countries designated by the U.S. Government (specifically, by the Office of Foreign Asset Control, or OFAC), prohibiting U.S. businesses from conducting business with such countries. In addition, a specific security may appear on Category 4 if Citigroup notes suspicious activity in such security, or if the SEC removes such security's registration. In such cases, CitiBLOC must not execute any orders as principal or agent solicited or unsolicited in Category 4 securities or taxable loans, unless an exemption exists. In certain circumstances, unsolicited liquidations of customer positions in these securities may be permitted. Employee trading in Category 4 securities is expressly prohibited.

Exhibit C

Attach as Exhibit C, the name, address, and telephone number of counsel for the alternative trading system.

Steve Keltz
Director and Counsel
Citigroup Global Markets Inc.
388-390 Greenwich St.
New York, NY 10013-2396
(212) 723-4737

Exhibit D

Attach as Exhibit D, a copy of the constitution, articles of incorporation or association, with all amendments, and of the existing by-laws or corresponding rules or instruments, whatever the name, of the alternative trading system. If this information is publicly available on a continuous basis on the Internet site controlled by the alternative trading system, the alternative trading system may indicate the location of the Internet web site where such information may be found in lieu of filing such information with the Commission

No change.

Exhibit E

Attach as Exhibit E, the name of any entity, other than the alternative trading system, that will be involved in the operation of the alternative trading system, including the execution, trading, clearing, and settling of transactions on behalf of the alternative trading system. Provide a description of the role and responsibilities of each entity.

CitiBLOC is owned and operated solely by CGMI. CGMI is a full service broker-dealer registered with the U.S. Securities and Exchange Commission pursuant to Section 15(a) of the Securities Exchange Act of 1934, as amended, and the sponsor of CitiBLOC. CGMI is responsible for all aspects of CitiBLOC including, execution, trading, clearing, billing, and settlement of transactions. CGMI is a subsidiary of Citigroup Inc. Citigroup Inc., a diversified financial services company, through its subsidiaries also supplies ancillary support to CitiBLOC. These ancillary support functions include, but are not limited to, providing broad based technology, including the CitiBLOC connectivity, datacenter, market data and production support. Employees of these Citigroup Inc. subsidiaries are subject to firm-wide policies governing the use of confidential information including information proprietary to CitiBLOC.

Exhibit F

Attach as Exhibit F, the following information:

a. **The manner of operation of the alternative trading system**

CitiBLOC is a system that:

(1) accepts non-committed orders (“Conditional Orders”),
(2) determines whether Conditional Orders are a potential match based on preprogrammed decision rules,
(3) sends a “Firm-up” invitation to Subscribers who have sent Conditional Orders that have the potential to be executed, inviting them to send a firm, executable order (“Firm Order”),
(4) executes Firm Orders based upon (a) the response to an invitation to Firm-up the Conditional Order and (b) the current inside market data, and
(5) if executions are not obtained, CitiBLOC will cancel any unfilled remainder of a Firm Order.

CitiBLOC is operated by CGMI as follows:

Hours of operation

Regularly scheduled hours of the U.S. stock market (i.e. 9:30 AM to 4:00 PM. Eastern Time, unless shortened / modified hours are applicable).

Core Principle of CitiBLOC

CitiBLOC is designed to promote block execution and provide meaningful liquidity to Subscribers. CitiBLOC leverages Conditional Orders to minimize opportunity cost typically associated with trading blocks of stock. Unlike other venues that offer Conditional Orders, CitiBLOC utilizes below key features to promote block execution and help reduce information leakage.

Key Features of CitiBLOC

(1) Minimum size of 5,000 shares or $100,000 USD notional required per order,
(2) Auto Firm-up with a maximum time window of two seconds to Firm-up Conditional Orders,
(3) Normalized monthly Firm-up Rate controls at 80% (more details below) or greater,
(4) Rank-Time matching priority, and
(5) All executions are priced at midpoint of the prevailing NBBO.

Onward Routing and Indications

CitiBLOC does not:

(1) Route orders out,
(2) Display orders, or
(3) Publish indications of interest to its Subscribers

Market Data

CitiBLOC ATS uses market data from a combination of direct feeds from multiple exchanges and the Securities Information Processor ("SIP") to determine the midpoint of the inside market for pricing executions. CitiBLOC currently receives direct feeds from BZX (Z), BYX (Y), EDGA (J), EDGX (K), NASDAQ (Q), NASDAQ BX (B), NASDAQ PSX (X), and NYSE ARCA (P). CitiBLOC relies on the SIP for data from NYSE (N), NYSE National (C), NYSE American (A), IEX (V), and CHX (M).

CitiBLOC ATS will use the SIP as a backup data source in the event of direct feed market data failure.

The SIP is also used for instrument status for the CitiBLOC ATS to be compliant with the following regulatory events.

- RegSHO Short Sale Restriction Activated
- RegSHO Short Sale Restriction Removed
- Trading Halted, Quote Only, Resumed Trading
- Trading Paused
- Limit Up Limit Down (LULD) Circuit Breaker
- Volatility Indicator
- Market Open and Close events for each symbol

Locked and Crossed Market

CitiBLOC will execute Firm Orders during a locked market by default. Subscribers have the ability to opt-out of executions during a locked market.

CitiBLOC will not execute during a crossed market.

Orders and Order Types

All orders placed in CitiBLOC are Conditional Orders that must be Firmed-up in order to execute. Orders may be placed as either limit orders, or mid-point peg orders with a limit.

CitiBLOC will not accept market price orders. All orders must specify a limit price or they will be rejected.

General Operation

CitiBLOC Subscribers are able to post Conditional Orders within the CitiBLOC ATS. Subscribers of CitiBLOC whose posted Conditional Orders are on opposite sides of the market (a buyer and a seller) with matching ticker, matching or overlapping price, and qualifying minimum fill size will each receive an invitation to Firm-up their Conditional Order. Subscribers are allowed a maximum of two seconds to respond to the invitation by submitting a Firm Order.

If both a buyer and seller respond with Firm Orders within the allotted two-second response window, an execution will take place at the midpoint of the prevailing inside market. Any unmatched quantity will be canceled back to the originating Subscriber, leaving no remaining quantity of the Firm Order outstanding in CitiBLOC. Subscribers who wish to obtain an execution on a remaining quantity must submit a new Conditional Order.

After a Subscriber firms up a Conditional Order, an execution may nonetheless not execute for a variety of reasons. For example, one side may no longer be marketable if the inside market has moved. In this instance, an execution cannot take place at the midpoint of the NBBO and both sides will receive cancel messages. In most cases where an execution has not occurred after a Firm Order has been sent, a cancel message will be sent via FIX protocol that will list the reason for the lack of execution. See Table 1 below for a list of non-execution reasons provided to Subscribers whose Firm Orders were not executed. System outages or other events beyond the control of CitiBLOC may also result in a failed execution. Clients will be informed separately should such an event occur.

Table 1: Non-Execution Reasons

Could not cross as min quantity was not satisfied
Could not cross as order became non-crossable because of market movement
Invite timed out on opposite side order
Market is currently locked (bid and ask have same value)*
Market is currently crossed (bid is greater than ask)
Too late to cross with opposite side order (*x* seconds)**

*For Subscribers who have opted-out of executing during locked markets
** *x* denotes actual value of time delay as observed by CitiBLOC

CitiBLOC Matching Logic

CitiBLOC will match buy and sell Conditional Orders based on the following factors in order of priority Rank then Time as set forth below.

When multiple Conditional Orders in the same security have been sent by Subscribers of equal Rank, the time at which the CitiBLOC matching engine received a Subscriber's Conditional Order will determine the priority of that order. This matching logic priority is designed to promote a desired behavior for counterparties to Firm-up block orders.

CitiBLOC will not aggregate multiple orders to satisfy minimum fill quantity or another order. All Conditional Order matching will take place between a single buy and sell order. Similarly, Firm Orders will only execute between a single buy and a single sell order that are responding to the matched Conditional Order Invitation to Firm-up.

CitiBLOC does not consider whether a Conditional Order represents a principal interest of CGMI or an affiliate when determining the order in which Conditional Orders are requested to Firm-up. Priority is determined by reference to Rank and Time as discussed below.

Rank

A Subscriber's Rank is defined by a scoring system that is based upon two essential factors: the prevailing months' Normalized Firm-up Rate (see *Normalized Firm-up Rate Determination* below) and median share size of Firm Orders. Rank (assigned as A, B, C and D) will break any tie in the event multiple buyers (or sellers) are available for matching with incoming Conditional Orders. Every month, a Rank will be assigned based on the previous months' analysis.

Rank Logic

Rank	Normalized Firm-up Rate and Median Firm Order Size Requirement
A	>= 90% Normalized Firm-up Rate and >= 30,000 shares median Firm Order size
B	>= 90% Normalized Firm-up Rate and < 30,000 shares median Firm Order size

C	>= 80% and <90% Normalized Firm-up Rate
D	< 80% Normalized Firm-up Rate

Normalized Firm-up rates are subject to Normalized Firm-up Rate Controls as discussed below. All Subscribers with fewer than 10 invitations to Firm-up during the previous month will be assigned a Rank of 'C' by default.

<u>Time</u>

After Rank, the Time at which the CitiBLOC matching engine received the Conditional Order is the secondary factor used to determine priority. When posted Conditional Orders are from Subscribers are of the same Rank, Conditional Orders received earlier will have a higher priority.

<u>Rank-Time Priority Example</u>

NBBO is $10.01 / $10.04
Buy Conditional Order#1 received from a Subscriber with Rank 'B': $10.10 limit for 50,000 shares of XYZ received at 2:00 PM
Buy Conditional Order#2 received from a Subscriber with Rank 'A': $10.04 limit for 100,000 shares of XYZ received at 2:01 PM

In this example, even though Conditional Order#1 was received first, it will have a lower priority than Conditional Order#2 which has a better Rank. If a sell Conditional Order is received after 2:01PM, only Conditional Order #2 will receive an invitation to Firm-up.

<u>Temporary Matching Halt</u>

In the event a Subscriber enters a Conditional Order for the purchase or sale of a security; and with respect to that security fails repeatedly to Firm-up within two seconds of request to do so (each such failure a "Timeout"), CitiBLOC will prevent that Subscriber from executing a transaction in that security for up to five minutes (a Temporary Matching Halt). The period in which multiple Timeouts are measured is configurable, and is currently either three consecutive Timeouts within a fifteen-second period, or five consecutive Timeouts within a sixty-second period.

While a Temporary Matching Halt is in effect, the affected Subscriber may enter, Firm-up, cancel, or modify Conditional Orders in other securities. Subscribers subject to a Temporary Matching Halt in a security are allowed to enter new Conditional Orders in the affected symbol, but any such new Conditional Orders will be ineligible for matching until the Temporary Matching Halt has been lifted.

A Temporary Matching Halt automatically expires after five minutes have passed. Alternatively, the CitiBLOC ATS support desk may, following an investigation determine to abbreviate the period of the Temporary Matching Halt.

<u>Normalized Firm-up Rate Determination</u>

CitiBLOC allows buyers and sellers to systematically Firm-up their Conditional Orders with the intent to execute blocks. The Normalized Firm-up Rate is a key measure of the quality of counterparty participation within CitiBLOC. If market-related or other events prevent a Subscriber from firming-up, CitiBLOC will account for those events ("Adjustment Events") by "Normalizing" a Subscriber's Firm-up Rate, creating a Normalized Firm-up Rate. Adjustment Events involve the subjective determination by CitiBLOC staff, and may include consultation with the CitiBLOC governance committee. Adjustment Events include, but are not limited to, race conditions, system outages, network issues, etc. CitiBLOC reviews the monthly Normalized Firm-up Rate to ensure that Subscribers Firm-up their Conditional Orders at an acceptable Rate.

The Firm-up Rate is defined as *Firm-up Rate = Number of Firm Orders / Number of Invitations to Firm-up*. The Normalized Firm-up Rate modifies the Firm-up Rate calculation by taking into account Adjustment Events and is defined as *Normalized Firm-up Rate = (Number of Firm Orders + Number of Adjustment Events) / Number of Invitations to Firm-up*. A Firm-up rate may be "normalized" when for example CitiBLOC observes a race condition That is, a Subscriber may be in the process of firming-up a conditional order at another venue while simultaneously receiving a request to Firm-up from CitiBLOC. While CitiBLOC staff will not have access to actual execution data at other ATSs, it will use publicly available data to draw conclusions regarding whether an order was the subject of a race condition based upon their observations and experience. CitiBLOC will not penalize a Subscriber's Firm-up Rate where CitiBLOC has a reasonable belief that Subscriber has executed or firmed-up the same transaction at another venue. In that case, CitiBLOC will apply the Normalized Firm-up Rate calculation to avoid imposing that penalty.

Normalized Firm-up Rate Controls

A high Normalized Firm-up Rate is directly correlated to tighter information control and Subscriber satisfaction. CitiBLOC reserves the right to deny access to Subscribers who do not meet the minimum required Normalized Firm-up Rate. Subscribers are requested to meet a minimum 80% Normalized Firm-up Rate each month.

Normalized Firm-up Rate controls will be applied to Subscribers with a minimum of 10 invitations to Firm-up in a month. Subscribers with fewer than 10 invitations to Firm-up in a monthly period will receive a Rank of "C."

Subscribers that fall below 80% but above 50% Normalized Firm-up Rate:

- will be contacted by a CitiBLOC representative and their Normalized Firm-up Rate as observed by CitiBLOC will be reviewed with them. Recommendations to improve the Normalized Firm-up Rate will be suggested where available;
- will be asked to demonstrate their understanding of the issues, identify the causes, develop a plan to correct the issues, implement the corrective action and demonstrate improvement in their Normalized Firm-up Rate

Failure of a Subscriber to raise its Normalized Firm-up Rate to 80% or higher within 2 months of the dialogue described above may result in denied access to CitiBLOC.

Subscribers falling below 50% on monthly Normalized Firm-up Rate:

- will be notified that their access to CitiBLOC may be terminated and CitiBLOC may begin rejecting their orders
- may submit an explanation of corrective measures implemented to be considered for reinstatement

Normalized Firm-up Rate Controls analysis will be conducted within 10 business days of the new month.

Policy on Trade Consideration and Reporting

CitiBLOC will not aggregate multiple trades in the same security for Rank or trade reporting. For example, two trades of 500K shares each, even if between the same buyer and seller in the same security at the same price around the same time, will be treated as two separate executions.

Visibility

Consistent with CitiBLOC's policy on protecting client information, only employees of Citigroup Inc., or an affiliate of Citigroup Inc. (including CGMI) with a need-to-know in order to assist in supporting the ATS will be permitted to see CitiBLOC Subscriber Information, the CitiBLOC order book and the operation of the matching engine. Such employees will include Support and Operations staff such as Legal, Compliance, Operations, Billing, and Technology. A CitiBLOC governance committee will review employees with access to Subscriber information and monitor their need for such access.

b. **Procedures governing entry of orders into the alternative trading system;**

Subscribers Orders may be entered into CitiBLOC via the various front-end systems employed by CGMI, through a direct FIX connection or by entering an order directed to CitiBLOC through CGMI or an affiliate (including electronically though CGMI's algorithmic product suite). CitiBLOC will only accept the entry of orders that satisfy clearly-defined parameters.

A copy of CitiBLOC's FIX specification is attached and can also be provided upon request by contacting CitiBLOC at (212) 723-7700.

c. **The means of access to the alternative trading system;**

Please see Exhibit A and items 'a' ("*The manner of operation of the alternative trading system"*) and 'b' ("*Procedures governing entry of orders into the alternative trading system"*) above.

d. **The procedures governing execution, reporting, clearance, and settlement of transaction effected through the alternative trading system;**

Execution

Please refer to item 'a.' ("*The manner of operation of the alternative trading system*") above.

Reporting

Trades will be reported by CGMI consistent with FINRA reporting requirements under the MPID CBLC.

Clearance and Settlement

Trades that are executed on CitiBLOC will be cleared and settled by CGMI.

e. **Procedures for ensuring Subscriber compliance with system guidelines;**

CitiBLOC relies on its key features and governance, to ensure compliance with CitiBLOC guidelines. Specifically, CitiBLOC only permits the entry of orders that satisfy clearly defined parameters. After the orders are accepted by CitiBLOC, the orders are handled systematically in accordance with CitiBLOC's features and rules as outlined in this document.

f. **A copy of the alternative trading system's Subscriber manual and any other materials provided to Subscribers.**

Upon joining, Subscribers will be provided with a copy of CitiBLOC's most recent FIX specification, Form ATS, and all current marketing materials.

Exhibit G

Attach as Exhibit G, a brief description of the alternative trading system's procedures for reviewing system capacity, security, and contingency planning procedures.

Reviewing System Capacity

Capacity planning is conducted annually by CitiBLOC's governance committee based on projected growth outlook and technology input. In addition, volume and capacity review is conducted periodically and may result in adjustment to strategic capacity plan. Daily volume numbers are also generated to track volume spikes. Due to the block nature of CitiBLOC, messaging traffic of CitiBLOC is significantly lesser than that of a typical ATS.

Security

The foundation of a sound information security program starts with a well-defined and well-communicated information security strategy. The Information Security ("IS") strategy at Citi encompasses the protection of information assets, personal data and client information whenever and wherever they are created, processed, transmitted or stored.

IS' mission is to protect its information and assets from unauthorized access, disclosure, use, disruption, modification or destruction through the innovative design and implementation of people, processes and technology controls. Physical, electronic and procedural safeguards have been developed and maintained to protect Citi information and information assets. CGMI uses strong authentication and monitoring technologies to ensure client data is protected. The ICG Global IS Program Office interfaces with Corporate Global Information Security ("GIS") to ensure that Citi's information assets are protected through appropriate policies, procedures, guidelines and technical security architecture.

An internationally recognized standard, ISO 27001 certification independently confirms that Citi's Information Security program has been implemented to meet the highest standards. The scope of the certification includes organizational structure, policies and procedures, planning activities, and roles and responsibilities, as well as several other key program activities. In addition, accreditation demonstrates to existing and potential clients, as well as regulators, that Citi has an established and effective Information Security program.

Citi was the first to achieve ISO 27001 certification and remains one of the few major global banks to have this accreditation for its Information Security program. The British Standards Institution (BSI) has reissued a Certificate of Registration, confirming that Global Information Security continues to operate an Information Security Management System ("ISMS") compliant with ISO 27001-2013. Recertification was achieved after months of planning and onsite assessment visits during Q3 and Q4 of 2016. This marks a great accomplishment for our team, clients and enterprise, further enhancing Citi's reputation as a trusted financial institution.

Governance

The Information Security Risk Operating Committee ("ISROC") is the chartered governance function of the Chief Information Officer ("CIO") Council that manages the global Information Security program at Citi. ISROC is responsible for setting direction and prioritization in Information Security, and for executing the Information Security strategy.

In addition to providing recommendations to the Global O&T Operating Committee ("GOTOC") and the CIO Council related to the global Information Security strategy and the overall risk tolerance levels, ISROC responsibilities include:

Defining and Implementing:
• Information Security Policies and Standards
• IS program processes, directions, goals, objectives and working with the global network of IS Officers
• Changes to enterprise IS risk tolerance and alignment with Business Sector/Regional risk tolerances

Monitoring and Assessing
• Information Security threats and vulnerabilities, and taking appropriate action
• Sector/Region Information Security residual risk and Sector/Region Information Security risk acceptances that may have enterprise risk impact
• Issues that cross multiple-risk disciplines

Corporate Policy and Standards

The GIS maintains the IS policy and standards. GIS reports to Citi's Board of Directors on IS compliance. The Citi Information Security Standards ("CISS") define the IS program. CISS follows the regulatory guidelines and is aligned with international IS standards, such as ISO. The Citi Information Security Standards are updated annually or as business or regulatory changes deem necessary.

Citi Cyber Security Fusion Center ("CSFC")

CSFC is a state-of-the-art capability that unifies Citi's efforts to prevent, preempt, mitigate, respond to, and recover from cyber threats and attacks. Through a culture of collaboration, the CSFC utilizes a unique methodology to fuse intelligence from a variety of sources to detect threats, reduce risk and support executive decision making.

The CSFC utilizes four key objectives to achieve its goals:

- Unifying Teams: The CSFC breaks down vertical siloes so that all sources of information can be better integrated and analyzed to truly understand and get ahead of cyber threats and attacks. The CSFC utilizes a "team of teams" approach to problem solving.
- Cultivating Culture: The CSFC drives innovation, creativity and exploratory thinking that propel analytic thought to deliver new cyber security capabilities and understanding. A culture where "trying" is as important as "succeeding."
- Driving Actions: The CSFC creates and implements actionable intelligence that can be utilized by cyber security professionals, business leaders and crisis management decision makers to meet their goals and objectives.
- Communicating Clearly: The CSFC communicates cyber threat and attack intelligence analysis with appropriate recommendations to fit the needs of technology specialists, consumer bankers, traders and other Citi leaders. The timely delivery of the right information supports holistic risk decisions for the firm.

The CSFC drives innovation, creativity and exploratory thinking that propel analytic thought to deliver new cyber security capabilities and understanding.

Data Protection

Asset Inventory, ownership, acceptable use, classification, and access controls are illustrative of the innovative design and implementation or processes and technology controls employed by Citi to protect data for unauthorized access, disclosure, use, disruption, modification, or destruction. Each CitiBLOC user is assigned a unique identification and password associated with defined business use-case.

Contingency Planning

CitiBLOC operates with backup systems in its primary site. CitiBLOC does not have a secondary / Continuity of Business / Disaster Recovery site. In the event of an outage in the primary site, CitiBLOC is designed to automatically attempt to failover to the backup systems at the primary site, depending on the nature of the outage. In certain cases, if the primary and backup systems both face an outage, or the primary site itself goes down, CitiBLOC will:

- cancel all outstanding orders
- reject new orders (both Conditional Orders and Firm Orders) and
- cease further operations until the issues have been satisfactorily resolved

In the event of a Subscriber disconnection from CitiBLOC, CitiBLOC will cancel all outstanding Orders from that Subscriber.

Exhibit H
If any other entity, other than the alternative trading system, will hold or safeguard subscriber funds or securities on a regular basis, attach as Exhibit H the name of such entity and a brief description of the controls that will be implemented to ensure the safety of such funds and securities

Not applicable.

Exhibit I
Attach as Exhibit I, a list providing the full legal name of those direct owners reported on Schedule A of Form BD.

CitiBLOC is owned and operated by Citigroup Global Markets Inc ("CGMI"). CGMI is a wholly owned indirect subsidiary of Citigroup Inc., a public company. Its immediate parent company is Citigroup Financial Products Inc.