IMC is a technology-driven trading firm providing liquidity to financial markets. We stand ready to buy or sell securities at any time, facilitating the transfer of risk for market participants.

Our highly-automated systems and advanced trading strategies reduce transaction costs by ensuring tighter ‘spreads’ between bid and offer prices.

Since we launched in 1989 in Amsterdam, we have set the pace for the evolution of market making. Today, we employ more than 500 people and operate globally from offices in Europe, the US and Asia Pacific, making markets in all major asset classes and on more than 100 well-regulated trading venues.
IMC trades thousands of securities – options, cash equities, ETFs and futures - across time-zones and geographies on the world’s leading trading venues. Those platforms include:

- **US**: CME, ICE, NYSE, CBOE, NASDAQ, BATS
- **EUROPE**: Borsa Italiana, Euronext, Eurex, ICE Europe, LSE, Xetra
- **APAC**: HKEX, SGX, ASX, JPX, KRX, TAIFEX
GOVERNANCE

IMC’s governance structure comprises a two-tier board: IMC’s Management Board determines the firm’s strategy and oversees its implementation; IMC’s Supervisory Board has the statutory responsibility to supervise and provide counsel to the Management Board. IMC B.V. qualifies as a financial holding under the Dutch Act on Financial Supervision. The Dutch Central Bank (DNB) is IMC’s prudential supervisor.

In its consideration of the composition of its Management and Supervisory Boards, IMC takes into account all relevant factors and excludes none, not least the availability of suitable candidates, the structure of the two Boards and the need to ensure continuity in the business.

The size and composition of the Management Board and its combined experience and expertise reflect the best fit for the profile and strategy of the firm. IMC operates an employment policy that is gender neutral. Two new members of the Management Board have been recently appointed. Both were internal candidates. Currently all members of the Management Board are male. The firm is aware that gender diversity is below the goals as set out in article 2:276 section 2 of the Dutch Civil Code and will pay close attention to that in the process of recruiting and appointing new Management Board members.

IMC’s Supervisory Board comprises members who are well-qualified to perform the functions of supervising the activities of the Management Board and providing that Board with its counsel. Membership of the Supervisory Board is determined in accordance with an internal schedule of resignation.

Each member of the Supervisory and Management Boards is appointed with the approval of DNB.
In a year in which extreme low volatility weighed on results for market making firms across the industry, IMC remained highly profitable and increased investment in recruitment, learning and development, and technology and innovation.

As our ambitions as a firm continue to expand, and against a backdrop of rising competitive challenges across our industry, IMC took a number of strategic steps in 2017 to position the firm for further success.

We enlarged the Management Board, adding functions that reflect and support the firm’s evolution and development. Brian Hitchcock was appointed to a global role as Chief Operating Officer. Separately, Arno de Quaasteniet has been appointed Chief Technology Officer, as of January 1 2018, underscoring the importance of technology to our firm and our industry. Encouraging teamwork and enabling talent development are key priorities for IMC. These appointments, and a number of promotions to key leadership positions across the organization, underscore the depth in talent at IMC and reflect our commitment to training and career development.

In 2017, Wiet Pot stepped down as Co-CEO. Wiet has played a key role at IMC in more than nine years with the firm. We are delighted that he has agreed to remain an advisor to the Management Board, allowing it to continue to draw on his experience especially on strategy and external relations.

In providing liquidity to global markets, IMC performs a key role in ensuring market efficiency. A high degree of speed and automation is fundamental to our strategy. We plan always for the long-term, as reflected in our commitment and ability to invest through market cycles.

That approach is increasingly relevant as the cost of operating as a market maker, for example in terms of IT, market data fees or compliance, continues to rise. The pace of technological dependency and advancement, and, in parallel, the industry’s growing complexity, has led to consolidation. To sustain success and prosper in this environment demands long-term commitment and focus.

We allocate resources – talent and capital – where we believe they are likely to deliver the best result, have the biggest impact in terms of improving efficiency and performance, and optimize the benefits of scale from our global trading infrastructure.
Against this backdrop, IMC enhanced execution, strengthened core activities, and maintained significant investment in supporting promising and increasingly successful new strategies. An ongoing careful assessment of market opportunities is a feature of our strategic deliberations as a Management Board. We continued our investment in talent, increasing headcount globally from 480 at year-end 2016 to 528 at the end of 2017.

The year saw significant changes in the regulatory landscape. We successfully completed the transition to a new regulatory framework, following introduction of the European Union’s Markets in Financial Instruments Directive (MiFID II). At the same time, we closely followed regulatory initiatives, notably DNB’s considerations around the prudential regime for investment firms and European Commission proposals regarding remuneration and capital requirements.

We invested heavily in information security, recognizing that it is critical to protect our systems and software from external and internal risks, and in line with our commitment to contribute to safe, secure financial markets.

As always, our performance and profitability as a firm owes most to the energies and professionalism of the team at IMC, whose enthusiasm and dedication sustains its growth and success.

We enter 2018 confident we can capitalize on steps we took in 2017 to strengthen our organization, infrastructure and strategy in order to capture market opportunities, and with the tools and talent to support continued growth.

Amsterdam, March 28, 2018

Management Board
Rob Defares, CEO and Chairman
Johan Benning, CFO
Willem Brinkman, General Counsel
Brian Hitchcock, COO (as per 1 September 2017)
Arno de Quaasteniet, CTO (as per 1 January 2018)
**Composition of the Management Board**

**Rob Defares**

Rob Defares is Chief Executive Officer and Chairman of the Management Board. Mr. Defares is one of the founders of IMC. He studied Economics at the Free University, Amsterdam, and graduated in 1988.

**Willem Brinkman**

Willem Brinkman has been General Counsel of IMC B.V. since 1 June 2009 and member of the Management Board since 1 May 2016. Mr. Brinkman was Head of Legal, Tax & Compliance and statutory director / Chief Operating Officer (as of 2004) of Lombard Odier in Amsterdam between 2000 and 2009, From 1991 through 2000 Mr. Brinkman worked as company secretary of Zwolsche Algemeene and Holland Beleggingsgroep, and from 1985 through 1991 as a corporate lawyer at VVAA. He started his career as a lawyer at Star Busmann in 1980 after earning a Master’s degree in Law from the Free University, Amsterdam.

**Arno de Quaasteniet**

Arno de Quaasteniet was appointed member of the Management Board and Chief Technology Officer effective 1 January 2018. From 1998 through 2004 Mr. De Quaasteniet worked as a software developer at several companies. He joined IMC in August 2004 as a software developer. In January 2009 he became lead software developer in IMC’s Chicago office, and returned to our Amsterdam office as Global Head of Development in August 2014. Mr. De Quaasteniet earned a degree in Electrical engineering from The Hague College in 1999.

**Johan Benning**

Johan Benning has been Chief Financial Officer since 1 January 2014, and member of the Management Board since 1 May 2016. From 1995 through 2013 Mr. Benning worked at GE in several functions, and, from 2008 until 2013, was CFO at two GE Capital businesses. He began his career at Rabobank in 1988. He studied Accounting & Economics at Amsterdam Business School, where he earned a BA, Corporate Finance at Tilburg University, where he earned a MS and after graduating in 1994, he earned an MBA from the University of South Carolina.

**Brian Hitchcock**

Brian Hitchcock was appointed member of the Management Board and Chief Operating Officer (COO) effective 1 September 2017. From July 1996 until June 1998 Mr. Hitchcock worked as a trader of interest rate derivatives for ING Barings, in Amsterdam. In June 1998 he joined IMC as a trader on the European Options Exchange in Amsterdam. Mr. Hitchcock co-founded IMC’s Chicago office in July 2000. He worked as a trader on the Chicago Board Options Exchange and was responsible for overseeing all IMC’s trading activities in North America. In August 2005 Mr. Hitchcock relocated to IMC’s Sydney office where he became the Head of Trading and, as of March 2008 until September 2017, was Managing Director APAC. Mr. Hitchcock earned a Masters of Business Economics from the University of Rotterdam in 1994.
We are pleased to present the annual financial statements for the fiscal year 2017 prepared by the Management Board. IMC’s financial results for 2017 are presented in accordance with International Financial Reporting Standards (IFRS). IMC’s financial statements have been audited by PWC and will be filed with the Trade Register of the Chamber of Commerce in Amsterdam, the Netherlands.

The Supervisory Board proposes to the shareholders to adopt the 2017 financial accounts.

It is the Supervisory Board’s statutory responsibility to supervise the Management Board and to provide it with its counsel. In accordance with a fixed meeting schedule, the Supervisory Board met with the Management Board on five occasions during the year. The meetings were held at the firm’s office in Amsterdam. All members of both Boards attended all meetings with the exception of one Management Board member who was absent with notice during the afternoon meeting on 13 September 2017. In addition to the meetings, the members of the Management and Supervisory Boards held a conference call, attended by all members of both Boards with the exception of one Supervisory Board member.

The Supervisory Board addressed a variety of topics in its meetings with the Management Board. These included, but were not limited to, the firm’s strategy, financial performance and trading strategies, its risk profile and compliance, risk and control framework, information security and business continuity, human resources in particular succession planning and remuneration, advocacy and regulatory developments. The Supervisory Board also assessed its own performance, the performance of its individual members, and the functioning of the Assurance Committee.

During the year the Supervisory Board extensively discussed tax, legislative and regulatory initiatives and changes, such as the Markets in Financial Instruments Directive (MiFID II), which has come into effect as of 3 January 2018, and the firm’s compliance with this extensive new set of rules and regulations. The Supervisory Board also discussed the change by DNB of the prudential regime for proprietary traders, which was announced to the proprietary firms on 13 November 2017. The affected firms are no longer considered “local firms” but have to comply with the prudential regime under the Capital Requirement Regulations. DNB decided that the affected firms will have until 31 March 2018 to comply with this new capital regime under CRR, which in our view is a relatively brief period of time. As a consequence of the discontinuation of the national prudential regime for local firms, the exemption from the 20% bonus cap has lapsed. The Netherlands’ Authority for Financial Markets (AFM) has decided not to enforce this bonus cap until 31 December 2019.

The Assurance Committee convened four times in 2017. All members of the Supervisory Board are members of the Assurance Committee, which meets with the internal and external auditors, Finance & Control, Risk & Compliance and Group Legal. David Cole is Chairman of the Assurance Committee.

The Assurance Committee’s strong focus is on the control functions of the IMC organization and the adequate functioning of the second and third line of defense (“checks and balances”). Standard items on the agenda of the Assurance Committee’s meetings are financial developments, regulatory capital requirements and reporting to DNB, the management letter, issued by the external auditors, the annual internal audit plan, findings and recommendations of internal audits, Risk & Compliance reports, the annual Global Risk Control Self-Assessment and Internal Capital Adequacy Assessment, as well as legal topics, pending litigation, inspections and investigations by regulators and relevant regulatory and legislative developments.

The Supervisory Board would like to acknowledge the continuing contribution of IMC’s employees and the leadership of its Management Board.

Amsterdam, March 28, 2018

Supervisory Board
Joost Kuiper, Chairman
Victor de Serière
Robert Reibestein
David Cole
COMPOSITION OF THE SUPERVISORY BOARD

**JOOST KUIPER**

Joost Kuiper has been a member of the Supervisory Board since 1 February 2009. He was re-appointed in May 2017 and is serving his final term (until May 2019). Mr. Kuiper is Chairman of the Supervisory Board. Mr. Kuiper was a member of the Management Board of ABN AMRO N.V. He earned a Master’s degree in Law from the University of Leiden.

**ROBERT REIBESTEIN**

Robert Reibestein has been a member of the Supervisory Board since 1 January 2012. He is serving his second four-year term (2016 – 2020). Mr. Reibestein was a senior partner (Director) of McKinsey & Company until his retirement in 2011. He studied in Leiden and Delft, where he obtained degrees in Constitutional Law and Management Science. After completing an MBA at Columbia Business School in New York, he joined McKinsey & Company in 1982.

**VICTOR DE SERIÈRE**

Victor de Serière has been a member of the Supervisory Board since 25 July 2007. He is serving his third four-year term (2015 – 2019). Mr. De Serière is senior Counsel at Allen & Overy LLP and professor of securities law at Radboud University in Nijmegen. He studied Law at the University of Leiden and Cambridge University (England).

**DAVID COLE**

David Cole has been a member of the Supervisory Board since 1 September 2015. He is serving his first four-year term (2015 – 2019). Mr. Cole is Chief Financial Officer and a member of the Group Executive Committee of Swiss Reinsurance, Ltd. and was formerly Chief Financial Officer and a member of the Management Board of ABN AMRO N.V.. He earned a Bachelor of Business Administration from the University of Georgia (US) and followed the International Business Program at Nyenrode Business University, the Netherlands.
IMC rewards its employees through a fixed and variable remuneration package, in accordance with industry standards. The leading principle is a discretionary profit-sharing remuneration that reflects and rewards the financial and non-financial contributions of employees to the firm’s performance.

The principles for variable remuneration are described in IMC’s Global Remuneration Policy. This policy reflects the relevant rules and regulations on sound remuneration policies.

Offices of IMC located outside the Netherlands may further specify the principles of the Global Remuneration Policy in their local employment contracts or internal policies. These local specifications will do justice to and respect the local state of affairs and will be leading in relation to the local situation.

The principles of IMC’s Global Remuneration Policy reflect the size, nature and risk profile of the firm. IMC’s business scope is limited to trading activities for its own account and risk. IMC has no clients and holds no client money or deposits. Moreover, its trading horizon is short, with no or hardly any overnight positions, while potential risks reveal before the end of a calendar year, prior to the determination and award of variable remuneration.

It is IMC’s view that, with these principles, it has implemented a robust and effective remuneration framework to encourage employees to act responsibly and which allows IMC to respond to significant changes in circumstances.

The IMC Global Remuneration Policy is determined by the Management Board of IMC B.V., approved by its Supervisory Board and shared with DNB and the AFM.

Over the calendar year 2017, IMC paid total variable remuneration of €125,157,656 (2016: €89,308,592) to its employees. 27 employees within IMC were eligible for total (fixed and variable) remuneration exceeding 1 million (2016: 17).

KEY PRINCIPLES OF IMC’S GLOBAL REMUNERATION POLICY:

- Applicable to all employees within the IMC Group of companies.
- Variable remuneration is of a discretionary nature.
- Calculation of variable remuneration is based on IMC’s global financial results on the one hand, and on the other the performance of individual employees reviewed by management according to previously determined, clear and assessable criteria (including integrity, adherence to risk management and compliance related policies and compliance with applicable rules and regulations).
- It is based on the principle of profit sharing: no variable remuneration is awarded or paid in the event that the IMC Group is not profitable.
- Variable remuneration is awarded on a provisional basis. IMC has the right to hold back, defer, reduce or claw back all or part of the variable remuneration under certain circumstances.
- In principle, there is no guaranteed variable remuneration.
- Payment is deferred in two equal annual installments (above a certain threshold). Prior to the payment of the second installment, IMC will reassess payment conditions on the basis of the firm’s results and individual performance.
IMC is a leading global market maker, trading thousands of financial products on more than 100 well-regulated trading platforms. Our success is built on consistent, sizeable, ongoing investment in talent, infrastructure and strategies.

With offices in Europe, the US and APAC, cross-border collaboration between traders, engineers, developers, and those responsible for risk and compliance is fundamental to our strategy. It enables us to work more efficiently, stripping out duplication, reducing complexity and costs, and capturing opportunities from leveraging scale and skills.

Our culture is open and diverse, and fosters and nurtures teamwork, while we also give responsibility and freedom to people early in their career. Taken together, these elements support and sustain our success in our chosen activities and trading strategies.

A key event was the expansion of the Management Board. The appointment of a Chief Operating Officer and, early in 2018, a Chief Technology Officer, underpins IMC’s expansion and ambition, and reflects the importance of technology to its operations and success.

We have strong, market leading positions in options trading, which remains the cornerstone of our business as it has done for more than a quarter of a century. While we took steps to further strengthen those core activities, notably in enabling improved collaboration by aligning trading infrastructure, we also maintained investment in adjacent activities and saw success in strategies built around, for example, volatility and valuation.

We conducted a thoughtful, deliberate and focused strategy of selective investment across the firm: in technology, trading strategies and products, organization and infrastructure, risk and compliance, and business support.
We have cemented strong relationships with qualified counterparties, notably in our growing European ETF business, which has added several new trading hires as it continues to build solid market positions. The desk leverages our experience as a market maker, advanced technology and deep liquidity, to offer competitive pricing directly to qualified counterparties. It is ranked top 3 by traded notional in European equity ETFs and grew threefold in terms of active counterparties in 2017.

As buy-side investors increasingly seek multiple options to execute their trades, we have created institutional trading desks and started to connect to fast-growing Request for Quotation (RFQ) and Multilateral Trading Facilities (MTF) platforms. We are also strengthening relationships with flow providers in the US Equity Options business as we continue to serve them as a key liquidity provider.

Our Single Dealer Platform (SDP), launched in May 2017, extends our market making business by giving broker-dealers direct access to our liquidity in US listed single stocks and ETFs. This regulated platform meets the needs of the brokerage community seeking additional sources of transparent and reliable liquidity and offers access to the benefits of our proprietary technology and multi-asset approach to market making.

IMC’s DMM business on the New York Stock Exchange (NYSE) maintained 18% market share and was awarded 17 new listings in 2017, with a combined market capitalization of $52.1bn. The total number of listings awarded to IMC increased from the prior year as the business continued to build its status as a strong brand and reliable partner on the Big Board. In this high-trust competitive business the DMM is a key relationship for listed companies and those considering a public listing, and IMC’s combination of market making expertise and technological expertise continues to provide a competitive edge.
THE FACTORS THAT SHAPED THE BUSINESS IN 2017

EXTERNAL FACTORS
Market volatility and volumes
Strategic opportunities
Capital costs
Regulation
Technology
Competition

INTERNAL FACTORS
Long-term commitment
Risk tolerance
Risk management and compliance
Accelerated and increased investment
Latency
Technology
People
Collaboration

IMC

OUTPUT

EXPANSION
Strategies and business opportunities

LIQUIDITY AND MARKET EFFICIENCY
Tighter spreads, fair and accurate pricing, lower costs
In an industry marked by ever increasing cost and complexity, IMC’s proprietary technology offers a competitive edge. Latency is critical but our success depends on many factors, not least our ability to manage complexity and harness technology to deliver improved efficiency and execution.

Balancing sophistication and simplicity, and the challenges of a growing business requires continual operational care and focus. In 2017 major strides were taken to simplify and streamline our automated systems to better support our trading strategies.

At IMC, traders and technologists work closely together, sharing ideas and collaborating on common projects. We run common, shared IT infrastructure, thereby reducing duplication, for example in project development, and allowing us to better leverage our global trading systems.

Risk management is fundamental to managing complexity. IMC invests substantially in a risk framework combining highly sophisticated automation and human oversight. Ongoing investment was stepped up in 2017 in light of new regulation. A complex project ahead of the introduction of the Markets in Financial Instruments Directive (MiFID II) was delivered on time, on budget and well ahead of the compliance deadline.

The representation of technology functions in management board and business leadership roles reflects and underscores its place at the heart of IMC, where highly-advanced automation supports our trading strategies and creates an execution edge.
WORKING TOGETHER

IMC’s culture is built on trust, integrity, and the exchange of knowledge and ideas. Our people are encouraged to be creative, to communicate openly, and to collaborate. It is our firm belief that we work better when we work together.

Our ability to execute trades efficiently – at all times, accurately and at high speed – depends on the degree to which we can mobilize a full-force collaborative effort across the business involving automated systems, trading skills, risk and compliance management and oversight, software and hardware development and back office support.

With more than 500 people from many cultures and nationalities, working across time zones and locations, teamwork is its own complex challenge. The starting point is our values.

IMC’s values are a guide not a rule book; a set of ideals to which we hold ourselves accountable, in how we do business and in how we take care of our employees.

We continuously seek to better understand how we can find workable, shared solutions without making the challenging work we do any more complex and difficult. And we never stop finding ways to facilitate agility and speed – and therefore enhance our efficient trading framework.

We want the best ideas. So, we’ve knocked down barriers and built a company with very little bureaucracy. One where everyone has the same opportunity to succeed and be rewarded regardless of job title or hierarchy.

Our workspaces provide a supportive environment. So, there are common areas and private spaces, places to work and to relax. Last year we expanded our Chicago office, after having relocated to a new office in Sydney in 2016. In April 2018 we’ll open our new headquarters in Amsterdam.
IMC’s Values

1. Creating a good opportunity and daring to make the most of it
2. Making things happen today – and making them better tomorrow
3. Recognizing the best ideas regardless of hierarchy
4. Taking responsibility for others as well as yourself
5. Anticipating change and continuously innovating
6. Hiring talented people and giving them lots of responsibility
7. Celebrating success... But keeping both feet firmly on the ground
8. Daring to imagine how things could be...
9. Being here to stay
10. Having fun
LEARNING AND DEVELOPMENT

IMC hires graduates from leading universities, and experienced traders and technologists whose skills can add complementary value to our strategies and therefore enhance and improve our performance.

In 2017 headcount rose by 10% to more than 500. Having identified potential, we invest in growing it. We offer a range of learning and development opportunities in a comprehensive program for graduates and experienced hires.

Graduates at IMC typically have technical degrees, such as computer science, actuarial studies, mathematics, physics and engineering. On-site training courses include technical trainings, and employee-led sessions. As our business is built on knowledge sharing graduates are paired with a mentor.

As our industry grows in terms of complexity, so too does the challenge of on-boarding. Given the high degree of automation at IMC, the role of a trader has evolved and with that the resources and investment we commit to ensuring they are equipped to perform their role.

Our success depends on staying on top of ever-developing markets and technologies. This is especially true from the perspective of risk. Market makers function as liquidity providers, and therefore training, especially as it relates to risk and compliance, is a core component supporting our role in ensuring stable and efficient markets.

We encourage employees to attend conferences and obtain certifications that relate to their role. Our global schools (Development School, FPGA School and Trading School) are held twice a year and visit two of our offices each cycle. The target audience is any new starter in Trading or Technology.

We focus on training, and where possible look to provide the encouragement and support to build careers and identify future leaders. We place great emphasis on that, including by offering programs with the Center for Creative Leadership (CCL), as we seek to get the most from the firm’s exceptional talent.
IMC observes the highest standards of regulatory and voluntary compliance. It is critical to the integrity and sustainability of our business, and therefore an integral part of day-to-day decision-making and our broader strategic planning.

Risk controls are essential to ensure orderly, safe and secure markets, and as a major provider of liquidity, IMC has a best-in class risk framework. Priority and responsibility for risk management and compliance rests with every individual and at all levels of the organization.

Risk decisions can be taken by relevant staff within a clear framework of limits and processes, and a comprehensive set of tools step in when limits are breached. Every region has its own Risk Management and Compliance department overseen by the group Chief Risk Officer. The Group CRO reports to the CEO of IMC B.V. and the Assurance Committee.

This framework is continuously maintained and enhanced and, in 2017, we took further steps, including improving risk limits. Some of those measures reflected regulatory changes around the Markets in Financial Instruments Directive (MiFID II). We continued to prioritize information security, an area of focus which has a separate governance structure, including a chief information security officer and dedicated local security managers.

IMC trains new and existing employees on compliance at least twice a year. Compliance is also part of all new business activities, and a comprehensive testing framework allows us to filter unwanted behavior before strategies are traded in live markets. Additionally, IMC has built its own surveillance tools to monitor for any unwanted or suspicious behavior in its trading during the day.

1. RISK OWNERSHIP
the responsibility to manage risk is the domain of the primary business. The primary business consists of trading (making trading decisions) and IT (managing trading technology).

2. RISK OVERSIGHT
is the domain of the Risk Management and Compliance department. Whereas Compliance focuses on the regulatory framework in which we operate, Risk Management ensures levels of financial and operational risk are aligned with IMC’s and the clearing organization’s risk tolerance, and are within regulatory limits.

3. RISK ASSURANCE
entails the responsibility to provide independent assurance on the effectiveness of governance, risk management and internal control systems in relation to the most significant risks.

Risk Management sets and controls limits and processes for the business. Furthermore, Risk Management and Compliance assesses all existing and new business activities for adherence to risk appetite and defined tolerance levels.
IMC’s risk framework is based on enterprise-wide risk management, and can be divided in four main building blocks: (A) Market, credit and liquidity risk, (B) Operational risk, (C) Compliance and (D) Information security.

Risk appetite and tolerance levels are defined for the main types of risk. Management of these risks consists of a continuous cycle of:

- Identifying and assessing risks by using risk assessments; all relevant risks are defined and assessed using impact and likelihood;
- Determining adequate controls to mitigate the risks to acceptable tolerance levels; Examples of key controls are the global limit structure to limit exposure to all relevant market factors, IMC’s software development and change management process, a comprehensive set of pre- and post-trade system safety limits to control risks around execution of trades, surveillance of trading activity and an incident database to identify, file and analyze incident(s);
- (intra-day) monitoring of important risk issues and reporting to relevant stakeholders. The risk and compliance teams have several (intra-day) monitoring tools in place to keep track of relevant risks. A detailed reporting framework is developed to create risk reports to several layers of relevant stakeholders to make sure information is shared.
Market makers perform a vital role in the efficient functioning of capital markets. Well-regulated markets encourage investor confidence. It is therefore the responsibility of market makers to behave with absolute integrity.

IMC supports strong, smart regulation and well-regulated markets. We believe in a level playing field and equal market access. We actively and firmly support initiatives that share our conviction. We are a founding member of FIA European Principal Traders Association and a member of FIA Principal Traders Group and Association of Proprietary Traders.

The liquidity, pricing and valuation capabilities provided by market makers offer certainty and immediacy of execution to all investors at a time they choose and at a price that is fair and competitive. Lower transaction costs imply not only a higher level of savings to end-investors, but also make it easier and cheaper for companies to raise capital, which in turn provides an incentive to make investments to boost economic growth. Our industry’s views on the benefits that firms like ours bring to financial markets are endorsed by a number of widely-regarded, independent studies.

The primary regulatory focus of 2017 was the implementation of the Markets in Financial Instruments Directive (MiFID II), which came into effect as of 3 January 2018. MiFID II is the European Union’s introduction of rules designed to improve market transparency and strengthen investor protection. It is intended to improve market transparency and may, for example, have special relevance in European ETF trading, which operates largely off exchange in over-the-counter transactions. While the impact of the introduction of the regulation is not yet entirely clear, the greater transparency it is expected to create may attract increased investor inflows to ETFs and create a more efficient market with price improvements for end-investors.

We are following closely deliberations by various agencies, including DNB, concerning the prudential regime for proprietary traders. We continue to work with industry associations to explain the position of market makers in response to that regulation, and support EPTA’s position and ambition in relation to those proposals. We strongly believe in a simpler proportionate prudential regime for non-systemic investment firms in order to safeguard the quality of the markets for companies and end-investors.

A multi-disciplinary global team ensured IMC met compliance requirements for new regulation (MiFID II). It enhanced our risk management and market surveillance systems to strengthen our risk framework.
GIVING BACK

Giving back is part of everyday life at IMC and is organized by our local foundations. We fund global aid initiatives, donate to local projects promoting academic and enrichment opportunities for young people, and support the philanthropic efforts of our employees.

In 2017 we supported more than 300 projects and organizations worldwide, while our people dedicated more than 1,400 hours to volunteering.

Global giving is anchored by our support for Room to Read, an international literacy organization. In 2017 we donated the entire proceeds from one day’s trading across IMC globally to the organization’s project in Tanzania, benefiting 42,000 children across 54 schools. It’s the second year we’ve invested in Room to Read, and we visited the project in 2017 to meet students, teachers and staff and deepen our understanding of IMC’s impact.

Our support for local organizations who share our mission to broaden opportunities for young people takes many forms, including investments in schools, after school programs, facility improvements, and career development experiences.

At the same time, IMC’s Sydney office backed the vital work of Fred Hollows Foundation screening for blindness in Nepal, and Hamlin Fistula Ethiopia, which provides maternal health procedures and training for healthcare professionals.

© photo by Donnie – Recruiter – IMC Amsterdam

@SYDNEY
IMC Chicago hosted more than 200 students throughout 2017, including a special gathering of students and female leaders in science, technology, engineering and math from 28 countries as part of a US State Department program. Separately, we funded a portfolio of youth development organizations, such as Chicago Run which create opportunities for children to develop life skills through sports, travel and other activities.

In Amsterdam, alongside our ongoing support for IMC Weekend School, which will celebrate its 20th anniversary in 2018, IMC’s efforts led to two tutoring programs being offered by a new organization: Stichting The Bridge Learning Intervention. The first gave secondary school students math tutoring, while the second involves primary school kids at four schools in high-needs neighborhoods.

Separately, IMC supports De Schoolschrijver Foundation, which encourages and improves reading and writing skills among thousands of Dutch children from underprivileged areas. Of all Dutch pupils, 70 percent have inadequate writing skills when they leave primary school.

Our Sydney office co-developed and piloted a unique, industry-supported approach to accredited primary school teacher training in coding. The “Coding in Schools” Initiative includes in-class coding lessons, school coding clubs, support for resources and visits to the IMC office for mentoring with employees.

Separately, IMC Sky High is a two-year program for at-risk youth, aiming to expand the horizons of teenagers by introducing them to careers and activities. In 2017, IMC funding supported 209 students from 14 schools in the program.

Importantly, IMC encourages and supports the philanthropic efforts of our own people through our Make your Mark program. We match employees’ financial donations and invite them to nominate organizations that they feel deserve IMC’s support, with colleagues voting for those they feel are most deserving.

LIST OF MAKE YOUR MARK GRANTS

**Chicago**
- Blessings in a Backpack
- Cure Violence
- iMentor
- International Rett Syndrome Foundation
- TraffickFree
- Rohingya Cultural Center
- Young Women’s Leadership Charter School

**Amsterdam**
- Alzheimer’s Research UK
- Free a Girl
- Jeugdportfonds
- Kailend
- Kinderhulp
- UNHCR

**Sydney**
- Medecin Sans Frontiers
- Anglican Aid
- Against Malaria Foundation
- Mummy’s Wish
- Dandelion Support Network
- Streetsmart
- Global Development Group
- Mini Kitty Commune
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