

## 1. Approval of New Products

Every new product intended for trading must be approved by the New Product Committee. This process includes:

- Legal framework review
- Risk assessment (quantitative and qualitative)
- Compliance department approval
- Creation of an internal document called “Product Approval Memo”
- Entry of the product into the list of approved products

The process typically takes 3–10 business days.

## 2. Limit Framework and Escalation

Each trading desk has the following types of risk limits:

- **VaR limit** – Maximum acceptable Value at Risk
- **Notional limit** – Maximum notional exposure
- **Stop-loss** – Rule for automatic escalation in case of a loss

If any of these limits are breached:

- A report must be submitted to the “Limit Watcher” system within 15 minutes
- The head of risk must be informed within 1 hour
- Escalation may include the CRO (Chief Risk Officer) if the breach is serious

## 3. Approved Products

Each desk may only trade products that are listed as “approved” in the official list. This list is maintained by the risk team and is updated monthly.

Verification is performed:

- Before the trade (pre-trade check)
- Regularly throughout the day in the system

## 4. Internal Documentation and References

- List of all approved products: Product\_Register.xlsx
- Limit framework and breach history: Limit\_Reports.sql
- Trader certifications: Training\_Cert\_Tracker.pdf

## **5. Reporting and Audit**

The risk team is responsible for daily reports including:

- VaR
- PnL
- Breach alerts
- Changes in limits

All reports are archived and auditable for a period of 5 years.