

## **EXECUTION POLICY DISCLOSURE STATEMENT**

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### **1 Purpose**

Under FCA Rules, other than in certain circumstances described below, where we execute or arrange the execution of professional client orders, we are required to take all reasonable steps to obtain the best possible result of those professional clients (known as delivering “**best execution**”) and to establish and implement an order execution policy to allow us to do so.

We have instituted a range of internal policies and procedures governing how we will act when we execute orders on behalf of our clients. We continually strive to provide the best possible level of service to all of our clients. Consequently, our policies and procedures are under constant review and may be revised at any time without prior notice.

This document discloses information about those policies and procedures that we believe is appropriate for you to be aware of before you place orders with us. However, if you feel that you need additional information, for example, in relation to how orders will be executed for particular instruments or on particular markets, then please let us know.

### **2 Application**

Eligible counterparties, by their nature, have a more sophisticated understanding of financial markets and are likely to have access to the markets through a variety of sources. Where we have categorised you as an eligible counterparty, our aim is to become your broker of choice by providing a competitive service which will generally compare favourably with the alternatives that we believe are likely to be available to you. You are reminded of your right to request a different categorisation if you wish. There is no requirement under FCA Rules for us to deliver best execution to eligible counterparty clients. As described below, there are also circumstances in which we will not be required to deliver best execution to professional clients in respect of an entire order or particular aspects of an order.

### **3 Specific Instructions**

If you have any particular requirements as to how we act when dealing with or for you, please let us know. We will do our best to accommodate you. However, you should be aware that where you give us specific instructions that are incompatible with our normal order execution policies and procedures, your specific instructions will take precedence. This may result in a different outcome than would have been achieved had our normal policies and procedures been followed and, for professional clients, we will not be required to deliver best execution in respect of the aspects of your order which are covered by your specific instructions. You should also note that our normal policies and procedures take account of the costs that we would incur in transacting business. Transactions that are not undertaken in accordance with our normal policies and procedures may not be subject to our normal charges. Where this applies, we will notify you of the applicable charges before executing your order.

### **4 Non-centralised markets**

In some non-centralised markets, such as the inter-office market for metals and the foreign exchange market, broker-dealers traditionally act on a principal basis. In these markets, convention dictates that clients will shop around for themselves to find the best deal. If you approach us for a price in such a market, we will assume that you are also approaching other market participants and that you are not relying on us to do so on your behalf. In those circumstances, we will not be required to deliver best execution.

In some markets, we act as a broker-dealer, quoting two way prices to clients and market participants throughout the day. We also run an internal limit order book. We will transact business through these routes where possible, thus ensuring that our bid price is always lower than the best offer available to us and our offer is always higher than the best bid available to us. Our price may therefore, in extremis, include a mark-up or mark-down of up to our spread on the best price available to us.

## **EXECUTION POLICY DISCLOSURE STATEMENT**

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Our spreads in these markets may vary depending on market conditions. If you ask us to do so, we will agree our spread on a particular trade at the time you place the order.

You should note that price transparency within some markets is poor; some market participants will give their own customers priority over their competitors; and for non-centrally cleared business, our choice of counterparty may be limited. Consequently, we may not always have access to all of the prices in the market.

### **5 Request for Quote**

Where you approach us and request us to quote you a price, the price that we quote you will be consistent with our execution policies and procedures at the time that we quote it. If you place an order while our quote remains valid then the resulting transaction will be executed at the quoted price in accordance with our policies and procedures.

### **6 Execution Factors**

When we execute an order on your behalf, we take into account a number of factors (**Execution Factors**), including:

- price;
- costs;
- speed;
- likelihood of execution (liquidity) and settlement;
- size of your order;
- nature of your order;
- any other consideration we deem to be relevant to the execution of your particular order.

We will determine the relative importance of each such Execution Factor in achieving the best possible result by taking into account the following criteria:

- the type of client you are (including your regulatory client categorisation),
- the characteristics of your order;
- the characteristics of the financial instruments your order relates to; and
- the characteristics of the execution venues (if there is more than one) where your order can be executed.

### **7 At Market Orders**

Where we execute an order on your behalf which can be immediately filled in the prevailing market conditions, we will normally prioritise price and costs with a view to achieving the best overall cost. We will also prioritise speed of execution.

### **8 Limit Orders**

Limit orders, by their nature, cannot be immediately filled in the prevailing market conditions. The overall cost will have been agreed by you when you placed the order. We will therefore prioritise speed of execution – seeking to execute your order at the earliest possible opportunity.

### **9 Execution Venues**

For each market in which we operate, we identify the venues that we believe are most likely to provide the best outcome when we execute orders on behalf of our clients. These may include the following types of venues:

- A Regulated Market (as defined in the FCA Rules); or
- A Multilateral Trading Facility (as defined in the FCA Rules); or
- A Systematic Internaliser (as defined in the FCA Rules); or
- An OTC crossing venue or electronic trading platform;

## **EXECUTION POLICY DISCLOSURE STATEMENT**

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- Crossing your order against another client; or
- The book of another broker, investment firm or liquidity provider (which may be an affiliate).

We will not maintain access to individual venues unless we believe that the benefits will outweigh the costs. Details of the execution venues that we use are available on request.

In some cases we may receive commission payments from the counterparty who takes the other side of your trade. We will only do this where the total cost that you incur is no worse than would have been the case had we executed your order at another venue

### **10 Aggregation**

In some circumstances, we may aggregate your order with our own orders or those of other clients. We will only do this where we believe it is unlikely to work overall to the disadvantage of any client. However, aggregation may work to your disadvantage in relation a particular order.

### **11 Payment for order flow**

In some cases, we may execute client orders in a way which will result in us receiving commission payments from both parties to the transaction.

Before we execute your order in this way, we will check other sources of liquidity from which we would not receive commission. We will always execute your order in the way which provides the best outcome for you.

For the avoidance of doubt, if we have categorised you as a professional client and we execute your order with a counterparty who is acting as a market maker, we will not receive 'payment for order flow' from that counterparty.

### **12 Status of this disclosure**

This disclosure is provided to you for information only and is not intended to be contractually binding or impose or seek to impose any obligations on us which we would not otherwise have under the FCA Rules or any client terms of business or agreement. In particular, we are not agreeing to deliver best execution in circumstances where we are not required to do so under FCA Rules.