



HOUSE of BÖRSE
— *World in One Platform* —

RTS 28

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MiFID II RTS 28 – Annual Best Execution Disclosure 2019

Top 5 Brokers and Top 5 Venues - Quality of Execution Statement

1. Background

Article 27 (6) of Directive 2014/65/EU (MiFID II) requires investment firms who execute client orders to summarise and make public on an annual basis, for each class of financial instruments the top five execution venues in terms of trading volumes where they executed client orders in the preceding year and information on the quality of execution obtained.

The final regulations in relation to publishing execution venues and execution quality came into effect for the period 2017-18. These reports were collectively known as Regulatory Technical Standard 27 (“RTS 27”) and Regulatory Technical Standard 28 (“RTS 28”).

The contents of this report are published to meet the requirements prescribed by Article 3(3) of Regulatory Technical Standard 28 (“RTS 28”) of MiFID/MiFIR.

2. House of Borse

House of Borse (HOB) is a matched-principal broker in over-the-counter spot foreign exchange, precious metals (“Spot FX”) and CFDs.

House of Borse operates under the ECN/DMA trading model. This means that all client trades are passed straight through to the market. House of Borse connects traders directly to the Interbank Market, and uses aggregated prices from multiple liquidity providers, including tier 1 banks, to provide the best possible prices to our clients.

House of Borse’s prices are electronically derived from quotes sourced from Tier 1 liquidity providers which are then aggregated using an aggregator system to construct its pricing. Clients are therefore able to access prices from Tier 1 liquidity providers by trading with House of Borse.

3.Reception and Transmission of Orders Top 5 Brokers, Professional Clients

Class of Instrument	Contracts for difference				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Saxo Capital Markets UK LTD - 2138002TJAEVDAI8BF78	100.00%	100.00%	37.41%	62.59%	0.00%

Class of Instrument	Other commodities derivatives and emission allowances derivatives (ii) Other commodities derivatives and emission allowances derivatives				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Saxo Capital Markets UK LTD - 2138002TJAEVDAI8BF78	100.00%	100.00%	84.83%	15.17%	0.00%

Class of Instrument	currency derivatives (ii) Swaps, forwards, and other currency derivatives				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Saxo Capital Markets UK LTD - 2138002TJAEVDAI8BF78	100.00%	100.00%	37.41%	62.59%	0.00%

4.Execution Top 5 Venues, Retail Clients

Class of Instrument	Contracts for difference				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Saxo Capital Markets UK LTD - 2138002TJAEVDAI8BF78	0%	0%	0.0%	0.0%	0%

Class of Instrument	Other commodities derivatives and emission allowances derivatives (ii) Other commodities derivatives and emission allowances derivatives				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Saxo Capital Markets UK LTD - 2138002TJAEVDAI8BF78	0%	0%	0.0%	0.0%	0%

Class of Instrument	currency derivatives (ii) Swaps, forwards, and other currency derivatives				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Saxo Capital Markets UK LTD - 2138002TJAEVDAI8BF78	0%	0%	0.0%	0.0%	0%
TradeTech	0%	0%	0.0%	0.0%	0%

5. Quality of Execution statement – Regulatory Technical Standard 28 Article 3(3), Directive 2014/65/EU (hereinafter MiFID II)

The following report is a summary of the analysis and conclusions House of Borse Bank draw from the detailed monitoring of the quality of execution obtained on the execution venues and through brokers for all client orders executed in the previous year.

The report is broken down by asset class groupings as follows:

1. Contracts for Difference (CFD)

- a. CFDs on Single Stocks and ETFs;
- b. CFD Index Trackers; and
- c. CFD Commodities.

2. Foreign Exchange

- a. Currency derivatives:
 - i. Swaps;
 - ii. forwards; and
 - iii. other currency derivatives.

The report includes, where relevant:

A. An explanation of the relative importance the firm gave to the Execution Factors. These factors included, but are not limited to price, costs, speed, and likelihood of execution when assessing the quality of execution;

B. A description of any close-links, conflicts, and common ownerships with respect to any execution venues used to execute orders;

C. A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;

D. An explanation of factors that led to a change in the list of execution venues listed in the firms execution policy;

E. An explanation of how order execution differs according to client categorisation, where the firm treats such category of client differently and where it may affect the order execution arrangements;

F. An explanation of when and why other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result;

H. An explanation of how the firm has used output of a consolidated tape provider which allows for the development of enhanced measures of execution quality or any other algorithms used to optimise and assess execution performances (if applicable).

General Comments relevant across all Asset classes on Quality of Execution

This report talks about the annual findings on the Order Execution Quality for 2018.

1. House of Borse has considered a number of criteria that might be important to its clients. These are called the Execution Factors and are listed in 5.0 of the Order Execution Policy, and include (amongst other factors): Price, Cost, Speed, Likelihood of execution

Price - Prices shown on our platform are generated electronically from our liquidity provider, who uses a blend of relevant underlying market prices from Tier 1 liquidity providers in the interbank market. We continuously monitor data feeds and internal pricing mechanisms to ensure the quality and stability of the price feeds. Monitoring is carried out on a daily and monthly basis to ensure consistency of pricing and execution in line with the underlying market.

Cost - We understand the importance of low trading costs and the impact of costs on trade execution. We publish clear and transparent information on spread, commission and other costs a client could incur when trading our products. To keep costs low, we source the best available prices from our liquidity providers. We regularly review and assess our liquidity and service providers, in order to always provided the best possible service to our clients.

Speed - Time is critical in rapidly moving markets and House of Borse processes 100% of orders instructed over the platforms we use automatically without any manual intervention, which maximises the speed of execution.

Likelihood of Execution – House of Borse monitors trade rejections on a real time basis and is in regular contact with our liquidity providers to ensure execution rates are as high as they can possibly be. We also receive daily and weekly execution reports from our liquidity providers, which summarise execution rates against various counterparties.

2. House of Borse does not have any close-links, conflicts, and/or common ownerships with respect to any execution venues used to execute orders. House of Borse will take reasonable care not to discriminate between execution venues other than on the basis of the Execution Factors relevant to the order concerned.
3. House of Borse does not have any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received. Our selection of execution venues is based on the execution factors mentioned above as well as other considerations. These include but are not limited to the following:

Quality of execution – we review the quality of execution available or obtained from counterparties, looking at published information (where available) and reviewing HOB previous trades with the counterparty

Costs – we review commissions and financing costs to obtain the best commercial terms to ensure we can pass low costs down to our clients

Margin rates and overall impact on liquidity

Trading limits – we review how much we are able to trade with our counterparties

Breadth of coverage – execution and clearing

Flexibility of product offering

Connectivity with HOB Markets' systems

Commitment to the product offering

Broker credit ratings.

4. HOB only deals with professional and institutional clients.
5. HOB does not differ its Order Execution based on client category. All client categorizations are treated the same and therefore execution is determined on the basis of total consideration as described in the Order Execution Policy.
6. The relative importance that House of Borse attaches to the Execution Factors in any particular case may be affected by the circumstances of the order. These are called the Execution Criteria and can be found in the House of Borse Order Execution Policy
7. The use of RTS 28 reports will be for 2019 as they were only published by execution venues for year ended 31.12.2019.
8. There was no consolidated tape provider established under Article 65 MiFID II and therefore other data sets and algorithms to optimize and assess execution will be referred to where relevant.

Contracts for Difference	
A	<p>Relative importance the firm gave to the execution factors or any other consideration including qualitative factors when assessing the quality of execution; For CFDs execution factors considered were as follows:</p> <ul style="list-style-type: none"> a. Price; b. Expected impact of execution; c. Likelihood of execution and settlement; d. Costs; e. Speed; f. Other factors <p>HOB believes that price and overall consideration of costs are the most important execution factors. HOB's aim is to provide its clients with the most competitive price and does so by providing pricing sourced from quotes from Tier 1 liquidity providers which are aggregated using an aggregator system. The aggregation of prices puts the liquidity providers in direct competition with each other allowing HOB to create its best available price. Also see point 1.</p>
B	<p>Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.</p> <p>See general comment section 2</p>
C	<p>Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.</p> <p>See general comment section 3</p>
D	<p>Factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;</p> <p>MiFID II introduced new trading venue types and new rules for existing venue types. The Venue list in the Order Execution Policy has been updated to reflect the changes to the status of brokers and venues accessed by brokers. No other specific changes to venues in 2019</p>
E	<p>How order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements.</p> <p>See point 5</p>
F	<p>Whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.</p> <p>See points 5 and 6.</p>
G	<p>How HOB have used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation for the data to be provided by execution venues on the quality of execution of transactions.</p> <p>HOB establishes its own benchmark by assessing multiple data points from independent price providers, or other relevant external inputs for each of the relevant underlying products. This enables HOB to check the fairness of the price proposed to the client.</p> <p>HOB also undertakes continuous price monitoring and reviews the data regularly.</p> <p>HOB have not seen any systematic deviations in 2019.</p>
H	<p>How HOB has used output of a consolidated tape provider established under Article 65 of MiFID II or any other algorithms used to optimise and assess execution performances.</p> <p>No consolidated tape provider was established under MiFID II.</p>

Foreign Exchange	
A	<p>Relative importance the firm gave to the execution factors or any other consideration including qualitative factors when assessing the quality of execution;</p> <p>Except for Limit orders, HOB will place the highest priority on total consideration (the combination of price and costs associated with dealing).</p> <p>For Limit orders, where the client has stipulated a price that is not immediately available in the market, HOB will place the highest priority on execution at the client's specified price at the first possible opportunity.</p> <p>This means that HOB will prioritise speed and certainty of execution.</p>
B	<p>Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.</p> <p>See general comment section 2</p>
C	<p>Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.</p> <p>See general comment section 3</p>
D	<p>Factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;</p> <p>MiFID II introduced new trading venue types and new rules for existing venue types. The Venue list in the Order Execution Policy has been updated to reflect the changes to the status of brokers and venues accessed by brokers. No other specific changes to venues in 2019</p>
E	<p>How order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements.</p> <p>HOB applies one Order Execution Policy to all clients. Also see point 5</p>
F	<p>Whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.</p> <p>See points 5 and 6.</p>
G	<p>How HOB have used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation for the data to be provided by execution venues on the quality of execution of transactions.</p> <p>HOB establishes its own benchmark by assessing multiple data points from independent price providers, or other relevant external inputs for each of the relevant underlying products. This enables HOB to check the fairness of the price proposed to the client.</p> <p>HOB also undertakes continuous price monitoring and reviews the data regularly.</p> <p>HOB have not seen any systematic deviations in 2019.</p>
H	<p>How HOB has used output of a consolidated tape provider established under Article 65 of MiFID II or any other algorithms used to optimise and assess execution performances.</p> <p>No consolidated tape provider was established under MiFID II.</p>

6. Explanatory Note on Top 5 Brokers

Classification of Passive / Aggressive Orders

A 'directed order' means an order where a specific execution venue was specified by the client prior to the execution of the order.

No orders are directed and therefore this field is not specified.

An 'aggressive order' is defined as an order that is submitted to a venue which runs an order book and took liquidity on the order book

A 'passive order' is defined as an order that is submitted to a venue which runs an order book and provided liquidity on the order book.

Categorization of Products into Classes of Financial Instruments

Equities – Shares & Depositary Receipts - *EU Cash Shares covered by the MiFID II tick size regime.* Instruments are placed into liquidity bands based on the ADNT (average daily number of transactions) values published by ESMA. Liquidity Band 6 can be seen as representing the most liquid instruments and Liquidity Band 1 the least liquid instruments, based on ADNT values.

Interest rates derivatives - *Futures and options admitted to trading on a trading venue*

- Contract Futures and Contract Options within sectors "Financials
- Short-term Interest Rates" and "Financials – Bonds"

Currency derivatives - *Futures and options admitted to trading on a trading venue*

- Contract Futures and Contract Options within sector "Financials– Currencies".

Equity Derivatives - *Options and Futures admitted to trading on a trading venue*

- Contract Futures and Contract Options within sector "Stock Indices" and Stock Options and Stock Index Options

Securitised Derivatives - Warrants and Certificate Derivatives

- Warrants

Commodities derivatives and emission allowances Derivatives - Options and Futures admitted to trading on a trading venue

- Contract Futures and Contract Options within sectors “Agriculture”, “Base Metals”, “Commodity Index”, “Energies”, “Meats”, “Precious Metals”, “Softs”.

HOB offers trading in commodity derivatives.

Contracts for difference - CFDs on Single Stocks/ETFs executed via agency model

HOB offers trading in CFDs.

Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

- ETFs, ETN, ETC

Other EU Cash Shares not covered by the MiFID II tick size regime US and APAC Cash Shares Mutual Funds