



## ADS Securities London Limited

### MiFID II RTS 28 – Annual Best Execution Disclosure Apr 2018 to Mar 2019

#### Top Execution Brokers & Venues Quality of Execution Statement

#### Contents

1. Introduction
2. Execution Analysis tables
3. Explanatory Note
4. Relative importance of the execution factors we used when assessing quality of execution
5. Quality of Execution statement

#### Introduction

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.

This first set of RTS 28 report is based on data for the year Apr 2018 to Mar 2019.

ESMA has recognised that for the first set of RTS 28 reports, firms may not be able to fully report on information which is not available or applicable in relation to the preceding year e.g. where it is tied to new provisions stemming from MiFID II or MiFIR. (Question/Answer 6):

[https://www.esma.europa.eu/system/files\\_force/library/esma35-43-349\\_mifid\\_ii\\_qas\\_on\\_investor\\_protection\\_topics.pdf](https://www.esma.europa.eu/system/files_force/library/esma35-43-349_mifid_ii_qas_on_investor_protection_topics.pdf)

## Execution Analysis Tables

### Reception and Transmission of Orders Top Brokers, Retail Clients

Class of Instrument			Contracts for Difference		
Notification if <1 average trade per business day in the previous year			N		
Top 5 execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a % of total in that class	Proportion of orders traded as a % of total in that class	% of passive orders	% of aggressive orders	% of directed orders
ADS Securities LLC - 213800R89K6EBE7N6G20	100%	100%	0%	100%	

Class of Instrument			Spreadbets		
Notification if <1 average trade per business day in the previous year			N		
Top 5 execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a % of total in that class	Proportion of orders traded as a % of total in that class	% of passive orders	% of aggressive orders	% of directed orders
ADS Securities LLC - 213800R89K6EBE7N6G20	100%	100%	0%	100%	

### Reception and Transmission of Orders Top Brokers, Professional Clients

Class of Instrument			Contracts for Difference		
Notification if <1 average trade per business day in the previous year			N		
Top 5 execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a % of total in that class	Proportion of orders traded as a % of total in that class	% of passive orders	% of aggressive orders	% of directed orders
ADS Securities LLC - 213800R89K6EBE7N6G20	100%	100%	0%	100%	

Class of Instrument			Spreadbets		
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Top 5 execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a % of total in that class	Proportion of orders traded as a % of total in that class	% of passive orders	% of aggressive orders	% of directed orders
ADS Securities LLC - 213800R89K6EBE7N6G20	100%	100%	0%	100%	

## Explanatory Note Top 5 Brokers

### Classification of Passive / Aggressive Orders:

- 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
- 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
- No orders are directed and therefore field is not specified

### Contracts for difference

- CFD Single Stocks
- CFD Indices
- CFD Commodities,
- CFD FX
- CFD Bonds

### Spreadbets

- Spreadbets Single Stocks
- Spreadbet Indices
- Spreadbets Commodities
- Spreadbets FX
- Spreadbets Bonds

## 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 ADS Securities London Limited 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 Single Stocks
- CFD Indices
- CFD Commodities,
- CFD FX
- CFD Bonds

#### 2. Spreadbets

- Spreadbets Single Stocks
- Spreadbet Indices
- Spreadbets Commodities
- Spreadbets FX
- Spreadbets Bonds

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 firm's 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;

G. An explanation of how the firm has used any data or tools relation to the quality of execution, including data published by execution venues under RTS 27;

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**

This report talks about the annual findings on the Order Execution Quality for April 2018 to March 2019.

Point A - ADSSL has considered a number of criteria that might be important to its clients. These are called the Execution Factors and are listed in the Best Execution Policy.

ADSSL's dealing and support teams provide ongoing monitoring to ensure best execution. Compliance provides monitoring on a retrospective basis. Where any irregularities are found these are investigated and corrected.

Point B - ADSSL has close-links, potential conflicts, and common ownerships with respect to ADS Securities LLC which is the Firms only execution venue used to execute orders. Whilst they are affiliated entities, ADSSL has the following provisions in place in order to manage potential conflicts:

- (i) Independent Board of Directors
- (ii) Independent employees
- (iii) Generally operating with ADS Securities LLC on an arm's length basis including, without limitation, ADSSL maintaining its own capital, premises, operating systems and governance; and
- (iv) Maintaining a Business Continuity Plan to enable ADS to continue to operate in the absence of ADS Securities LLC.

Point C – ADSSL does not have any specific arrangements with any execution venues, including ADS Securities LLC, regarding payments made or received, discounts, rebates or non-monetary benefits received.

Point D – ADSSL does not differ its Order Execution based on client category

Point E – As per above, all client categorisations are treated the same and therefore execution is determined on the basis of total consideration as described in the Best Execution Policy. The relative importance that ADSSL attaches to the Execution Factors in any particular case may be affected by the circumstances of the order. The Execution Factors can be found in the Best Execution Policy 4.1

Point F - The use of RTS 27 reports will be for 2018 as they were only published by execution venues as of 3 January 2018 when MiFID II came into force.

Point G - 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.

#### ALL CFD's and SPREADBETS

1 There was relative importance given to the Execution Factors and any other consideration including qualitative factors when assessing the quality of execution.

The Execution Factors are considered as follows:

- a. Price;
- b. Expected impact of execution;
- c. Likelihood of execution and settlement;
- d. Costs;
- e. Speed;
- f. Other factors

2 Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders:

See comment B above

3 Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;

See comment C above

4 Factors that led to a change in the list of execution venues listed in the firms execution policy, if such a change occurred were:

ADSSL only has membership to one venue being ADS Securities LLC. and there was no change during the reporting period to any execution venue occurred

5 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.

When ADSS executes orders on behalf of its clients, Best Execution is determined on the basis of the total consideration paid to or, by the client, unless the objective of execution of the order dictates otherwise. Criteria that may be given precedence includes potential Market Impact. ADSS routes to market using an algorithm that is customised for achieving best price whilst minimising market impact.

6 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.

ADSSL applies one Order Execution Policy to all clients.

- 7 How ADSSL have used any data or tools relating to the quality of execution, including any data published under the Commission Delegated Regulation, to be provided by execution venues on the quality of execution of transactions.

In reviewing the quality of executions ADSS follows a governance process whereby executions are assessed for outliers. These outliers are reviewed using external, independent data sources. Any systematic deviations are rectified by making necessary changes. For the reporting period we have not seen any systematic deviations from achieving Best Execution.

- 8 How ADSSL has used the output of a consolidated tape provider as established under Article 65 of MiFID II or any other algorithms used to optimise and assess execution performances.

No consolidated tape provider was established under MiFID II.