

# TRADEWEB'S UK ORDER EXECUTION POLICY DISCLOSURE

## INTRODUCTION

Tradeweb Europe Limited (“**TWEL**”) and Tradeweb Execution Services Limited (“**TESL**”) (collectively, “**The Firms**”) are required to establish and implement effective arrangements for complying with their obligation to take all sufficient steps to obtain the best possible results for their clients. In particular, they are required to have an order execution policy. The Firms’ order execution policy is as follows.

## PURPOSE

This order execution policy sets out how the Firms intend to meet their best execution obligation.

It is intended to set out the obligations that the Firms owe to their clients when executing orders with or on behalf of their clients under the All-to-All Service offering on the MTF, and when executing orders on the Organised Trading Facility (“**OTF**”).

## SCOPE

This policy applies when:

- TESL executes orders with or on behalf of clients; or
- TWEL, as operator of the OTF, exercises discretion in relation to orders submitted on the OTF.

This policy applies only in relation to clients that are categorised as professional clients. This policy does not apply in respect of clients that are categorised as eligible counterparties.

## SUMMARY OF BEST EXECUTION REQUIREMENTS

The Firms are required to take all sufficient steps to obtain, when executing client orders, the best possible results for their clients taking into account a number of factors (the “**execution factors**”).

In achieving best execution, the Firms must take into account the following execution factors:

- Price;
- Costs;
- Speed;
- Likelihood of execution and settlement;
- Size;
- Nature; or
- Any other considerations relevant to the execution of an order.

When weighting the execution factors, the Firms are required to take into account a number of criteria (the “**execution criteria**”). These criteria include:

- the characteristics of the client including its categorisation as professional client;
- the characteristics of the client order;
- the characteristics of the financial instruments that are the subject of that order;
- the characteristics of the execution venues to which that order can be directed.

The best execution obligation only applies in relation to financial instruments within the scope of UK MiFIR. These include the following:

- transferable securities such as equity instrument and bonds;
- money-market instruments;
- units in collective investment schemes; and
- derivatives (including FX derivatives).

## SPECIFIC PROVISIONS

### Execution of client orders by TESL

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TESL will satisfy its best execution obligation when it executes an order by executing in accordance with the specific instructions from a client.

TESL will for example execute client orders as part of the All-to-All Service or the Crossing Service offerings. Due to the specificities of these offerings, TESL will only execute client orders in accordance with specific instructions received from clients.

If staff members are unclear as to the instructions of a client, they should clarify these with the client or contact the compliance department.

## Execution of client orders on the OTF(s)

The execution of orders on an OTF are required to be carried out on a discretionary basis. Accordingly, TWEL, as operator of an OTF, is required to exercise discretion in either or both of the following circumstances:

- when deciding to place or retract an order on the OTF (exercise of discretion at an order level);
- when deciding not to match a specific client order with other orders available on the system at a given time, provided this is in compliance with specific instructions from a client and within its best execution obligation (exercise of discretion at execution level).

Taking each of these in turn -

### *Exercise of discretion at an order level*

When TWEL receives an order from a participant of the OTF, staff should exercise a judgment as to:

- whether (i) to place the order at all on the OTF, (ii) to place the whole order or just a portion of the order on the OTF; and
- when to place such order.

In addition, staff should exercise a judgment as to whether and when an order should be retracted from the OTF.

### *Exercise of discretion at execution level*

When considering matching a specific client order with another order on the OTF, staff should exercise a judgment as to if, when and how much of two matching orders in the system should be matched.

In exercising discretion on the OTF, staff should consider the execution factors and execution criteria. In addition staff should consider:

- the trading interests in the system; and
- the execution mechanism available on the OTF.

## Prompt execution

When executing orders on behalf of clients, TESL must execute these orders promptly, fairly and expeditiously.

Orders executed on behalf of clients must be promptly and accurately recorded and allocated. Comparable orders must be executed sequentially and promptly (unless the characteristics of the order or prevailing market conditions make this impracticable or the interest of the client require otherwise).

TESL is prohibited from carrying out a client order in aggregation with another client order unless the following conditions are met:

- it is unlikely that the aggregation will work to the overall disadvantage of any client whose orders is to be aggregated;
- it is disclosed to each client whose order is to be aggregated that the effect of the aggregation may work to its disadvantage in relation to a particular order;
- an order allocation policy is established and implemented, providing for the fair allocation of aggregated orders and transactions.

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Given the specificities of the All-to-All Service and the Crossing Service offerings, it is unlikely that TESL will be aggregating client orders. Before aggregating client orders, staff members should seek clearance from the compliance department.

**THIS DISCLOSURE WAS PREPARED  
FOLLOWING APPROVAL OF THE POLICY BY  
THE BOARDS OF DIRECTORS ON  
30 NOVEMBER 2020**

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## Execution venues

TESL may use one or more of the following execution venues:

- Tradeweb's EU MTF;
- Tradeweb's EU OTF;
- Tradeweb's UK MTF;
- Tradeweb's UK OTF.

These execution venues are listed on Tradeweb's website and more information is available at the European Disclosures section of the site.

This list will be amended periodically if the venues TESL chooses to use changes.

## Determining which venue to use

TESL staff members should follow the specific instructions received from clients and use the execution venue indicated by the client when executing an order with or on behalf of the client.

Staff exercising discretion on the OTF should consider whether a more favourable outcome would be obtained by executing an order on another execution venue listed in this policy (i.e. outside the OTF).

## Disclosure and client consent

The Firms must provide appropriate information to clients on this policy and must obtain the prior consent of clients to this policy. TESL client terms of business and the Professional Client Notification Letter include relevant disclosure on this policy. Notifications of material changes to this policy should also be made to clients.