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# ORDER EXECUTION POLICY DEBT CAPITAL MARKETS

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## Introduction

This document provides important information and sets out how Cantor Fitzgerald Ireland Ltd Debt Capital Markets (“Cantor”) will obtain best execution for its clients as defined in MiFID II.

**This policy applies to the execution of orders on behalf of clients whom we have classified as professional clients. This policy does not apply to eligible counterparties or retail clients.**

The Markets in Financial Instruments Directive (“MiFID II”) came into effect on 03 January 2018.

MiFID II as transposed into Irish Law by means of Statutory Instrument No.375/2017, requires that Cantor have in place and operate an Order Execution Policy such that when: • executing applicable Client Orders or • receiving and transmitting Client Orders on behalf of our clients in respect of financial instruments covered by MiFID II, that Cantor takes all sufficient steps to obtain the best possible result (“BPR”) taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order on a consistent basis.

## Client Orders & Specific Instructions

Cantor considers itself to be in receipt of a Client Order when a Client gives us a trading instruction that requires Cantor to complete an investment transaction on the Client’s behalf. The price achieved or other aspects of the transaction may be affected by how Cantor executes the order, for example where:

- an agency obligation exists, or
- we ‘work’ a trading instruction on a Client’s behalf either on a principal or riskless principal basis, or
- we place orders with entities for execution that result from decisions by us to deal in financial instruments on a Client’s behalf when providing portfolio management services to said Client.

Cantor is not under an obligation to provide Best Execution if in relation to a particular order or business where we define the client as an Eligible Counterparty (‘ECP’) or trades outside of standard settlement.

Where a client provides Cantor with a **specific instruction** in relation to an order, we will execute the order in line with the specific instruction received and we will endeavour to obtain the best possible result. However, the specific instruction may prevent Cantor taking the steps designed to provide Best Execution.

## Execution Factors

Where Cantor executes Client Orders and owes a duty of Best Execution, all sufficient steps will be taken to obtain the best possible execution result on a consistent basis taking into account the following Execution Factors:

- price,
- cost,
- speed of execution,
- likelihood of execution and settlement reliability,
- order size,
- liquidity of a market,
- nature of Client Order or any other consideration relevant to the execution of the Client Order.

While the weighting and relevance of these factors may vary, price will ordinarily merit a high relative importance in obtaining the BPR for a Client. Cantor will give precedence to factors affording the BPR in terms of total consideration to the client i.e. price of the financial instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order and execution venue fees, clearing and settlement fees paid to third parties involved in the execution of the order.

However, markets, instruments and transaction types vary greatly in terms of liquidity, depth, transparency, certainty, ease and speed of execution etc. Cantor may therefore take into consideration other Execution Criteria that alter the relative importance of execution elements (execution criteria other than price may assume equal or greater importance) and thereby permit Cantor the required flexibility to cater for Clients with differing priorities and execute orders based on other factors that will result in Cantor acting in the best interest of the client. Such Execution Criteria may include, but are not limited to:

- prevailing market conditions, including when a fast market is declared;
- a business continuity event;
- characteristics of the Client;
- characteristics, size and settlement terms of the Client Order,
- characteristics of the financial instruments that are subject of the Client Order,
- characteristics of the execution venues to which that Client Order can be directed;
- whether the client has provided any specific instruction.

- trading over the counter ('OTC') execution as opposed to an execution on a trading venue;

Based on the above Execution Factors and Execution Criteria, and subject to any specific client instruction, Cantor will exercise discretion, based on market experience, knowledge, commercial judgement, the relevant Security and the type of Client Order to obtain the BPR with regards to the execution of a Client Order.

## Execution Venues

Cantor will typically execute transactions on the following venues:

- Regulated Markets
- Multilateral Trading Facilities ("MTF")
- Organised Trading Facilities ("OTF")
- Cantor and its affiliates where we internalise orders
- Market Makers, and other liquidity providers.

We may from time to time execute relevant orders that are not included in our current list of execution venues with a view to satisfying our best execution obligation. Clients should be aware that for certain types of financial instrument there may be only one execution venue available to us. When we execute against Cantor's own book we will review the quality of our own execution in the same way that we review other execution venues.

Where Cantor is executing transactions in a principal capacity, Cantor will be considered the execution venue for all transactions.

Appendix I contains those execution venues in regard of which Cantor places significant reliance. It is not an exhaustive list. When choosing an execution venue, Cantor will focus primarily on the quality of execution and reliability of the venue followed by the costs of that venue. While the venues selected may not always offer the most favourable prices, the clients order will always be executed in the overall requirement of BPR on a consistent basis.

For the purposes of delivering best execution where there is more than one competing venue to execute an order for a financial instrument, in order to assess and compare the results for the client that would be achieved by executing the order on each of the execution venues listed that is capable of executing that order, Cantor's own commissions and costs for executing the order on each of the eligible execution venues will be taken into account in that assessment.

Cantor does not pay or charge for trading on execution venues.

## Trading outside a Regulated Market, Multilateral Trading Facility or Organised Trading Facility

Where a financial instrument is traded on a Regulated Market, Multilateral Trading Facility

("MTF"), or Organised Trading Facility ("OTF") Cantor may nonetheless, to obtain BPR for the

Client, transact orders outside the relevant Regulated Market or MTF (for example Cantor may execute the Client Order on principal thereby acting as the execution venue, or match, cross the Client Order with another Cantor Client Order or execute the transaction on an over the counter basis with a market participant). The client's provision of an order to Cantor is an express consent to this Order Execution Policy including our right to execute the order outside a Regulated Market or MTF in order to achieve BPR.

Cantor will assess the execution venues regularly and may use other execution venues and venue types where we deem it appropriate

in order to provide BPR on a consistent basis or in regard of a specific order. Clients will be notified of changes to Execution Venues on which Cantor places significant reliance when executing Client Orders, by the posting of updates on our website, [www.cantorfitzgerland.ie](http://www.cantorfitzgerland.ie). Clients should, therefore, periodically refer to this website for updates.

## Application of Best Execution

Best Execution is owed to clients classified by Cantor as Professional, both elective and nonelective. Cantor owe best execution when executing orders on a Clients behalf and also when we are transmitting orders on a client's behalf to a third party. Cantor are acting on the client's behalf where an execution instruction is received from a client that gives rise to contractual or agency obligations from Cantor. Such obligations arise where Cantor is required to exercise discretion in relation to the execution of your order which implies that you are legitimately relying on us.

### Requests for Quotes ("RFQ")

Dealing on a request for quote basis is when a client requests a quote from a firm or a group of firms and then chooses to execute the trade at the price quoted or reject the price and decline to trade. In these cases there is no legitimate expectation that the client is relying on Cantor to protect their interests in relation to pricing and other aspects of execution. The Best Execution obligation does not apply to RFQ transactions as the client is responsible for deciding if the price offered is the best available. There

is an expectation that the client has accessed multiple firms for a quote and if the client decides to deal on Cantors quote, it must be the best price available.

### **Non-Standard Settlement**

Clients should note that settlement of trades away from standard T+2 settlement may incur an additional charge from the Market Makers or Cantor. These charges will vary depending on a number of factors and may adversely impact the final execution price.

### **Aggregation of Orders**

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Cantor may aggregate orders, including client or Cantor (subject to our Conflicts of Interest policy for us or our parent, associate or affiliate) to be executed in one or several tranches if, due to demand conditions, several orders may be settled at an average price that Cantor considers generally favourable. Aggregation may, in some cases, work to the disadvantage of a particular order. When executed, aggregated orders will, to the extent possible, be allocated to clients on the trade date at the calculated average price. If aggregated orders can be executed only in part, Cantor will allocate the executed part to the participants in proportion to the size and conditions of their orders.

### **Order Handling**

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In accordance with MiFID II client order handling rules, Cantor have procedures and arrangements in place that provide for the prompt, fair and expeditious execution of client orders relative to other client orders or the trading interests of Cantor. We are also required to consider the need to manage any potential Conflicts of Interest<sup>1</sup> between Clients and/or between Cantor and the Client.

### **Reception and Transmission of Orders**

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Subject to any specific instructions given to Cantor by the Client, we may transmit an order that we receive from the Client to another entity affiliated to Cantor or to an external entity (such as a third party broker) for execution where it is decided that this method is more likely to achieve the BPR for a particular instrument or order. When we transmit such orders we will have obligations to ensure that it is in the Client's best interest and are under an obligation to take such sufficient steps to obtain the BPR for the Client. If we transmit or place an order to

other dealers/affiliates, we will review and monitor the standards of execution received from them.

### **Monitoring & Review of the Order Execution Policy**

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Cantor will monitor the effectiveness of its order execution arrangements and the Order Execution Policy on an annual basis or where a material change occurs to it and assess, on a regular basis, whether the execution venues included in the Order Execution Policy provide BPR for the client, or whether changes to the execution arrangements need to be made.

Cantor will notify Clients of material changes to our order execution arrangements and our Order Execution Policy by the posting of updates on [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie). Clients should, therefore, periodically refer to this website for updates.

### **Consent & Communication**

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Cantor is required to obtain the client's prior consent to the Order Execution Policy. Prior consent to this Order Execution Policy will be deemed to have been received when a client places an order with Cantor on or after the date of website upload of this Policy. In addition, by completing a Cantor client Application Form, including terms and conditions thereto, the client is providing their consent to the Order Execution Policy and inter-alia agreeing their order can and will be executed pursuant to this policy

### **Publication of Annual and Quarterly Reports on Best Execution**

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Cantor publishes (in accordance with Regulatory Technical Standards ("RTS 28")) a summary of the top five execution venues and brokers to which all client orders are routed during the preceding year. This information contains a summary on the quality of execution and will be made available on our website:

**[www.cantorfitzgerald.ie/importantdisclosures](http://www.cantorfitzgerald.ie/importantdisclosures)**

As a systematic internaliser in Irish Government Bonds, Cantor publishes (in accordance with Regulatory Technical Standards ("RTS 27")) on its website information on the quality of its execution on a quarterly basis.

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<sup>1</sup> Please see our Conflicts of Interest Policy

**Appendix I****Schedule of Execution Venues where  
Cantor places significant reliance for the  
execution of client orders**

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<b>Counterparty Name</b>	<b>Bonds &amp; Fixed Income Securities</b>
<b>Top Execution Venues</b>	
Cantor Fitzgerald Ireland Limited	<input type="checkbox"/>
TradeWeb Europe Limited	<input type="checkbox"/>
MTS Cash domestic Market Ireland	<input type="checkbox"/>
BGC – OTF	<input type="checkbox"/>
BGC - MTF	<input type="checkbox"/>
Bloomberg MTF	<input type="checkbox"/>



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