

RTS 28 Report – Top Five Execution Venues

1 January – 31 December 2020

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1. Overview

- 1.1. This document (the “**RTS 28 Report**” or this “**Report**”) outlines how Singer Capital Markets Securities Limited (“**Singer Capital Markets**”, or the “**Firm**”) has addressed the requirement to comply with COBS 11 Annex 1UK Regulatory Technical Standard 28 (RTS 28) (Directive 2014/65/EU in financial instruments (“**MiFID II**”)) which 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 calendar year and information on the quality of execution obtained.
- 1.2. This Report further illustrates Singer Capital Markets’ compliance with the obligation under COBS 2.1.1R (Article 24(1) of MiFID II) to act in accordance with the best interests of their Clients when transmitting Client orders to other entities for execution.
- 1.3. Further information regarding how we meet the Firm’s best execution requirements for eligible clients can be found in the Firm’s Order Execution Policy, which is available on the Firm’s website at <https://www.singercm.com/legal-regulatory/>.

2. Business Model and Background

- 2.1 Singer Capital Markets Securities Limited (a wholly owned subsidiary of Singer Capital Markets) is registered with the London Stock Exchange as a Market Maker in over 650 stocks. We do not trade in a proprietary capacity but facilitate client business by trading instruments on our own book. Singer Capital Markets’ Market Making desk conducts its business with eligible counterparties only (as per COBS 3.6), and per MiFID II, these eligible counterparties are not owed Best Execution.
- 2.2 Where orders are handled by Singer Capital Markets’ Sales Traders, we typically deal with institutional clients that are categorised as professional clients (as per COBS 3.5). These professional clients are placing a ‘legitimate reliance’ on Singer Capital Markets to execute their business, and, as a result, we owe Best Execution to them.
- 2.3 Additionally, Singer Capital Markets provides execution only services to retail clients, to whom we owe Best Execution.

3. Summary of Observations

3.1 Singer Capital Markets has considered the following range of factors (in order of priority) that are important to fulfil its Best Execution obligation as follows:

- (i) Execution price and nature of the order affecting the execution price (priority: high)
- (ii) Size and nature of the transaction (priority: high)
- (iii) Likelihood of execution and competition of the transaction (priority: high)
- (iv) Speed of the transaction execution (priority: medium)
- (v) Total transaction costs, including execution costs and implicit cost elements (priority: medium)
- (vi) Any other factor decisive to match the Best Execution obligation (priority: low)

The individual importance of the Best Execution factors may vary as specified in further detail Singer Capital Markets' Best Execution policy, when executing client orders. Best Execution is therefore applied in a manner that has taken into account the different circumstances associated with the transaction:

- The characteristics of the client, including the client categorisation
- The characteristics of the client order
- The characteristics of the instruments that were the subject of that order
- The characteristics of the execution venues to which that order could be directed
- The legal and regulatory framework under which the transaction was executed

3.2 During this reporting period, Singer Capital Markets had the necessary procedures and arrangements in place as well as appropriate valuation systems. Singer Capital Markets has taken into account external market data and externally verifiable reference prices (where available) to ensure the fairness of the price for its clients.

3.3 Our client base and our business flows have increased from the previous year, and we saw a broader range of execution via our brokers we use for market access. As expected, and in line with our expectations, the vast majority of our business was reported to the London Stock Exchange.

3.4 Under the business model which we operate and considering the class of instruments we trade, the London Stock Exchange is not only the primary venue for these instruments, but in some cases the only venue where an instrument is traded and on that basis we consider the London Stock Exchange to be of prime importance to our execution, taking into consideration execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors.

- 3.5 With direct membership of only one exchange (London Stock Exchange) third party brokers are used for access to other exchanges and liquidity pools. Relationships with Barclays, Virtu, Goldman Sachs and Bank of America Merrill Lynch all contribute to our overall market access. Although these venues make up a smaller proportion of our overall execution they provide access to some key liquidity pools such as Posit which are vital to small cap execution. Although we have access to all of the execution venues we need for the orders and trades executed on behalf of our clients we actively review and assess our market access and our stable of brokers we use.
- 3.6 For the quantitative data supporting this report, please find the excel document of our top 5 venues at <https://www.singercm.com/rts-28-disclosure/> broken down as set out in Article 3(3) of COBS 11 Annex 1UK Regulatory Technical Standard 28 (RTS 28) (Article 3(3) Commission Delegated Regulation (EU) 2017/576 (“RTS 28”) and Article 65(6) of Commission Delegated Regulation (EU) 2017/565).

4. Conflicts of Interest

- 4.1 Singer Capital Markets does not have any close links, conflicts of interests or common ownerships with respect to any execution venues used. Nor does the Firm have any arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

5. Governance

- 5.1 The Firm monitors its best execution obligations through a number of preventative, in situ and detective controls. There are system-built automated trading controls and first line daily monitoring. Providing oversight to all trades and orders is the Market Risk and Execution Oversight Committee (“MREOCo”) who meet regularly to discuss trading observations in line with our regulatory obligations.
- 5.2 Should there be any questions or concerns in regards to this report, please escalate this to the Head of Compliance, who will be obliged to review and escalate your query (should your concern be of a non-minor nature) to the MREOCo.



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