

BACB PLC

Top Five Execution Venues and Information on the Quality of Execution Obtained

(RTS 28 Report)

For the Period 01 Jan 2019 to 31 Dec 2019

Introduction

The Markets in Financial Instruments Directive (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. This requirement is further detailed in Regulatory Technical Standard 28 (“RTS 28”) and the resulting publications are known as RTS reports.

BACB’s RTS 28 report for the period 01 Jan 2019 to 31 Dec 2019 is presented below.

a. Top five execution venues

RTS 28 requires publication of the top five execution venues in terms of trading volumes for all executed client orders per class of financial instrument.

BACB does have trading activity with professional clients. This is in the class of instruments known as ‘debt instruments – bonds’. It forms an extremely small part of BACB’s overall trading activity in that class.

BACB has determined that of the activity undertaken with professional clients, none is capable of being determined as a ‘client order’. Rather, the activity leading up to execution has been determined to be formed of ‘indications of interest’.

This presents an issue as to whether BACB should compile its trading activity with professional clients in an RTS report. BACB’s view is that whilst we do not have an obligation to compile trading activity where there has been no client order or equivalent, it would nevertheless be of benefit to compile and present it, as it may inform those interested in our execution process.

Therefore, here are the top five execution venues in terms of trading volumes for all client executions per class of financial instrument:

Debt instruments – Bonds

Class of Instrument	Debt Instruments - Bonds				
Notification if < 1 average trade per business day in the previous year	N				
Top 5 execution venues ranked in terms of trading volumes	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
British Arab Commercial Bank Public Limited Company 213800EF3SHQLBJPGB20	100.00%	100.00%	N/A	N/A	N/A

RTS 28 requires that investment firms publish for each class of financial instrument, a summary of the analysis and conclusions they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year.

As stated, BACB has determined that of the activity undertaken with professional clients, none is capable of being determined as a 'client order'. Rather, the activity leading up to execution has been determined to be formed of 'indications of interest'. So BACB has compiled a summary of the analysis and conclusions drawn from the detailed monitoring of the quality of execution on the execution venues where it has executed subsequent to 'indication of interest' activity.

This is presented as responses to the detailed requirements that are set out within RTS 28 Article 3 (3) (a) to (h):

Debt instruments – Bonds

- a. Explanation of the relative importance the firm gave to the execution factors of price, cost, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

No trading activity in the period was owed best execution. If any trading activity had been owed best execution, BACB would have determined the relative importance of the execution factors in each case in accordance with its execution policy.

- b. Description of any close links, conflicts of interest and common ownerships with respect to any execution venue

BACB itself is the sole noted execution venue in the period.

- c. Description of any specific arrangements with any execution venues regarding payments made or received discounts, rebates or non-monetary benefits received.

BACB itself is the sole noted execution venue in the period and does not apply such payments, discounts, rebates or non-monetary benefits to itself.

- d. Explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred.

There has been no change in the period.

- e. Explanation of 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.

BACB does not deal with retail clients and our execution policy applies only to professional clients.

- f. Explanation of 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.

BACB does not deal with retail clients.

- g. An explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575

BACB has access to and has used an execution quality and transaction cost analysis tool system provided by a third party vendor.

- h. Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

There were no consolidated tape providers established in the period.