

RTS 28: BEST EXECUTION REPORT 2018



Tradition Securities & Futures – TSAF OTC

9, PACE VENDOME – 75001 PARIS

INTRODUCTION

Pursuant to Article 24 of Directive 2014/65/ EU of May 15, 2014 ("MIFID 2") and art. 64 to 66 of the Delegated Regulation 2017/565, when providing reception and transmission of orders and/or execution in relation with financial instruments (as defined in Appendix I. Section C of the MiFID 2), Tradition Securities & Futures SA et TSAF OTC SA ("Tradition Paris") shall take all sufficient steps to achieve the best possible result for its clients.

Supplementing MIFID 2, the Commission delegated regulation (EU) 2017/576 of 8 June 2016 imposes the publication of the top five execution venues in term of trading volumes for professional clients and for all the class of financial instruments defined on its Annex I. As investment firms, Tradition Paris¹ publish this report on an annual basis.

Execution policy is available on the Tradition Paris's website: <http://www.tsaf-paris.com/mif.php>

I EQUITY SHARES & DEPOSITARY RECEIPTS

I.1 TOP FIVE EXECUTIONS VENUES

(A) TICK SIZE LIQUIDITY BANDS 5 AND 6

Class of Instrument		(I) Equities -Shares & Depositary Receipts (A)	
Notification if <1 average trade per business day in the previous year		N	
Top Five execution venues ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
London Stock Exchange	XLON	18.33%	8.57%
Electronic Share Market	MTAA	10.34%	5.40%
Xetra	XETR	9.37%	3.35%
Euronext - Euronext Paris	XPAR	9.05%	20.27%
CBOE Europe - CXE Order Books	CHIX	8.05%	17.27%

¹ Passive, aggressive and directed orders splits are unavailable.

(B) TICK SIZE LIQUIDITY BANDS 3 AND 4

Class of Instrument		(I) Equities -Shares & Depository Receipts (B)	
Notification if <1 average trade per business day in the previous year		N	
Top Five execution venues ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
Euronext - Euronext Paris	XPAR	39.26%	53.38%
Barclays Capital Securities Limited - Systematic Internaliser	BCSI	11.70%	1.28%
Bolsa De Madrid	XMAD	10.08%	1.11%
Blockmatch MTF RFQ	BRFQ	7.63%	0.01%
Electronic Share Market	MTAA	5.76%	1.31%

(C) TICK SIZE LIQUIDITY BANDS 1 AND 2

Class of Instrument		(I) Equities -Shares & Depository Receipts (C)	
Notification if <1 average trade per business day in the previous year		N	
Top Five execution venues ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
Euronext Growth Paris	ALXP	49.71%	16.70%
Euronext - Euronext Paris	XPAR	16.98%	29.76%
Barclays Capital Securities Limited - Systematic Internaliser	BCSI	9.65%	0.57%
New York Stock Exchange, Inc.	XNYS	4.58%	10.90%
NASDAQ - All Markets	XNAS	1.50%	6.86%

I.2 QUALITY OF EXECUTION OBTAINED

- (a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;

- 1) Price
- 2) Likelihood of execution
- 3) Speed of processing
- 4) Costs
- 5) Size
- 6) Nature
- 7) Any other key consideration in the execution of a particular order

There may be scenarios where the priority of execution will change, for example but not limited to:

- due to a lack of liquidity on a particular venue or across venue where likelihood of execution and speed of processing will become more important;
- when the order is received during the day and/or the size of order may affect the significance of speed and likelihood of execution

(b) A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;

There are no close links, conflicts of interests, 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;

There are no specific arrangements with any execution venues regarding payments made or received discounts, rebates or non-monetary benefits received.

(d) An 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 are no change in the list of execution venues listed in the firm's execution policy for transactions executed in 2018.

(e) An explanation of how order execution differs according to client categorization, where the firm treats categories of clients differently and where it may affect the order execution arrangements;

Order execution does not differ according to client categorization. Tradition Paris treat only with Eligible Counterparties and Professional clients.

(f) An 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;

Tradition Paris does not provide any investment services to 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 Commission Delegated Regulation (EU) 2017/ 575 to be inserted before publication.

Data relating to the quality of execution are used for performing monitoring and controls over the execution activity.

(h) Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

Tradition Paris did not use output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

II DEBT INSTRUMENTS (BONDS)

Not Applicable

III INTEREST RATE DERIVATIVES

III.1 TOP FIVE EXECUTIONS VENUES

(A) FUTURES AND OPTIONS ADMITTED TO TRADING ON A TRADING VENUE

Class of Instrument		(III) Interest rate derivatives (A)	
Notification if <1 average trade per business day in the previous year		N	
Top Five execution venues ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
EUREX Deutschland	XEUR	39.12%	63.11%
ICE Futures Europe	IFEU	32.37%	10.18%
Chicago Mercantile Exchange	XCME	27.66%	23.08%
The Montreal Exchange	XMOD	0.42%	1.40%
ASX - All Markets	XASX	0.41%	1.16%

(B) SWAPS, FORWARDS, AND OTHER INTEREST RATES DERIVATIVES

Not Applicable

III.2 QUALITY OF EXECUTION OBTAINED

(a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;

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- 2) Speed of processing
- 3) Likelihood of execution
- 4) Size
- 5) Nature
- 6) Costs
- 7) Any other key consideration in the execution of a particular order

There may be scenarios where the priority of execution will change, for example:

- where there is unusual levels of volatility, any of the factors may become of greater importance depending upon the circumstance;
- where the characteristics of each individual order such as client preferences, nature will be more significant;
- where there are unusual market conditions, speed and likelihood of execution will become more important;
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IV CREDIT DERIVATIVES

Not Applicable

V CURRENCY DERIVATIVES

V.1 TOP FIVE EXECUTIONS VENUES

(A) FUTURES AND OPTIONS ADMITTED TO TRADING ON A TRADING VENUE

Class of Instrument		(V) Currency derivatives (A)	
Notification if <1 average trade per business day in the previous year		N	
Top Five execution venues ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
Chicago Mercantile Exchange	XCME	99.88%	99.20%
ICE Futures Europe	IFEU	0.08%	0.40%
Singapore Exchange	XSEX	0.04%	0.40%
N/A		N/A	N/A
N/A		N/A	N/A

(B) SWAPS, FORWARDS, AND OTHER CURRENCY DERIVATIVES

Not Applicable

V.2 QUALITY OF EXECUTION OBTAINED

(a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;

- 1) Price
- 2) Speed of processing
- 3) Likelihood of execution
- 4) Size
- 5) Nature
- 6) Costs
- 7) Any other key consideration in the execution of a particular order

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VI STRUCTURED FINANCE INSTRUMENTS

Not Applicable

VII EQUITY DERIVATIVES

VII.1 TOP FIVE EXECUTIONS VENUES

(A) FUTURES AND OPTIONS ADMITTED TO TRADING ON A TRADING VENUE

Class of Instrument	(VII) Equity Derivatives (A)		
Notification if <1 average trade per business day in the previous year	N		
Top Five execution venues ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
EUREX Deutschland	XEUR	66.52%	41.83%
ICE Futures Europe	IFEU	18.83%	2.37%
Chicago Mercantile Exchange	XCME	6.85%	31.25%
Euronext Paris MONEP	XMON	5.57%	13.11%
ICE Futures U.S.	IFUS	0.81%	1.84%

(B) SWAPS AND OTHER EQUITY DERIVATIVES

Not Applicable

VII.2 QUALITY OF EXECUTION OBTAINED

(a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;

- 1) Price
- 2) Speed of processing
- 3) Likelihood of execution
- 4) Size
- 5) Nature
- 6) Costs
- 7) Any other key consideration in the execution of a particular order

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VIII SECURITIZED DERIVATIVES

VIII.1 TOP FIVE EXECUTIONS VENUES

(A) WARRANTS AND CERTIFICATE DERIVATIVES

Class of Instrument		(VIII) Securitized Derivatives (A)	
Notification if <1 average trade per business day in the previous year		0	
Top Five execution venues ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
Euronext - Euronext Amsterdam	XAMS	49.71%	16.70%
UBS ATS	UBSA	16.98%	29.76%
CBOE EDGX U.S. Equities Exchange	EDGX	9.65%	0.57%
NASDAQ - All Markets	XNAS	4.58%	10.90%
NASDAQ OMX BX	XBOS	1.50%	6.86%

(B) OTHER SECURITIZED DERIVATIVES

Not Applicable

VIII.2 QUALITY OF EXECUTION OBTAINED

(a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;

- 1) Price
- 2) Likelihood of execution
- 3) Speed of processing
- 4) Costs
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There may be scenarios where the priority of execution will change, for example but not limited to:

- due to a lack of liquidity on a particular venue or across venue where likelihood of execution and speed of processing will become more important;
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IX COMMODITIES DERIVATIVES AND EMISSION ALLOWANCES DERIVATIVES

IX.1 TOP FIVE EXECUTIONS VENUES

(A) OPTIONS AND FUTURES ADMITTED TO TRADING ON A TRADING VENUE

Class of Instrument	(IX) Commodities derivatives and emission allowances Derivatives (A)		
Notification if <1 average trade per business day in the previous year	0		
Top Five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	
Chicago Mercantile Exchange XCME	100%	100%	

(B) OTHER COMMODITIES DERIVATIVES AND EMISSION ALLOWANCES DERIVATIVES

Not Applicable

IX.2 QUALITY OF EXECUTION OBTAINED

- (a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;

- 1) Price
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- 3) Likelihood of execution
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X CONTRACT FOR DIFFERENCE

Not Applicable

XI EXCHANGE TRADED PRODUCTS (EXCHANGES TRADED FUNDS, EXCHANGES TRADED NOTES AND EXCHANGE TRADED COMMODITIES)

XI.1 TOP FIVE EXECUTIONS VENUES

Class of Instrument	(XI) Exchange traded products (Exchange traded funds, exchange traded notes and exchange trade commodities)		
Notification if <1 average trade per business day in the previous year	N		
Top Five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	
Bloomberg Trading Facility Limited BMTF	96.38%	20.49%	
Euronext - Euronext Paris XPAR	1.83%	11.16%	
NASDAQ - All Markets XNAS	1.20%	55.20%	
CBOE BYX U.S. Equities Exchange BATY	0.13%	5.77%	
Electronic Share Market MTAA	0.10%	0.05%	

XI.2 QUALITY OF EXECUTION OBTAINED

(a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;

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XII EMISSION ALLOWANCES

Not Applicable

XIII OTHER INSTRUMENTS

Not Applicable