



2021 RTS 28 Report - Summary of the analysis

BNP Paribas Securities Services –Dealing Services

Transactions for 2020

INTRODUCTION

In accordance with the requirements of Article 27 of the European Directive 2014/65/EU on financial instruments "MiFID II" and the associated regulatory technical standards ("RTS 28"), this report has been published to provide details of the top five venues execution venues in which BNP Paribas Securities Services executed client orders during 2020 for each class of instrument as defined in MiFID II. The information provided is supplemented with analysis and conclusions based on the data provided for each asset class.

ANALYSIS REPORT

A. 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;

The relative importance BNP Paribas Securities Services gives to different execution factors will **depend on different factors including the order type** sent by its clients and the **asset class**.

BNP Paribas Securities Services selects the broker/counterparty that meet the chosen criteria as closely as possible based on a map of its clients' brokers/counterparties, which is updated regularly based upon client's instructions.

On over-the-counter markets, this selection is supplemented, if possible and appropriate, on the basis of the prices offered by the brokers/counterparties following a request for quotes.

In the absence of any specific instructions from the client, Securities Services prioritizes the execution factors in the following order for each asset class:

Equities - Shares & Depositary Receipts

I- Price;

II- Cost;

III- Likelihood of execution / Size;

IV- Swiftiness

The vast majority of orders on equities are transmitted to brokers for execution based on the above factors. In some specific cases for illiquid stocks or high volume orders, the order can be directly executed with one or more brokers who published an indication of interest (IOI) and offer better execution conditions.

**Debt Instruments – Bonds**

I- Price;

II- Likelihood of execution / Size;

The majority of the orders on bonds are executed via a request for quotes process. In some specific cases such as illiquid bonds, or high volume orders, the order can be directly executed with a counterparty that can offer better execution conditions.

For primary market orders are transmitted to the syndicate in charge of the issuing.

Debt Instruments - Money Market

I- Price;

II- Likelihood of execution / Size;

Due to the nature of this financial instrument, most of the orders on money market instruments are executed through telephone and/or Bloomberg chat.

Interest rates Derivatives – Listed

I- Price;

II- Cost;

III- Likelihood of execution / Size;

IV- Swiftiness

The majority of the orders on interest rates listed derivatives are transmitted to brokers for execution. In some cases and depending on the order type, BNP Paribas Securities Services can perform a request for quote process.

Currency derivatives – Listed

I- Price;

II- Cost;

III- Likelihood of execution / Size;

IV- Swiftiness

The majority of the orders on currency listed derivatives are transmitted to brokers for execution. In some cases and depending on the order type, BNP Paribas Securities Services can perform a request for quote process.

Currency derivatives – OTC

I- Price

II- Likelihood of execution / Size

III- Swiftiness

The majority of the orders on OTC currency derivatives are executed via a request for quotes process. In some specific cases the order can be directly executed with a counterparty that can offer better execution conditions.

**Securitized derivatives**

- I- Price;
- II- Cost;
- III- Likelihood of execution / Size;
- IV- Swiftness

The majority of the orders on securitized derivatives are directed by clients to the issuer.

Structure finance

- I- Price;
- II- Cost;
- III- Likelihood of execution / Size;
- IV- Swiftness

The majority of the orders on structured finance instruments are directed by clients to the issuer.

Equity derivatives – Listed

- I- Price;
- II- Cost;
- III- Likelihood of execution / Size;
- IV- Swiftness

The majority of the orders on equity listed derivatives are transmitted to brokers for execution. In some cases and depending on the order type, BNP Paribas Securities Services can perform a request for quote process.

Commodity derivatives and emission allowances Derivatives

- I- Price;
- II- Cost;
- III- Likelihood of execution / Size;
- IV- Swiftness

The majority of the orders on commodities listed derivatives are transmitted to brokers for execution. In some cases and depending on the order type, BNP Paribas Securities Services can perform a request for quote process.

Exchange traded products

- I- Price;
- II- Cost;
- III- Likelihood of execution / Size;
- IV- Swiftness

Orders on exchange traded products are mainly executed with a broker following a request for quote process. In some cases and depending on the order type, BNP Paribas Securities Services can transmit the orders to brokers for execution.

**B. Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders**

BNP Paribas Securities Services is a fully owned subsidiary of BNP Paribas, SA.

BNP Paribas Securities Services may use BNP Paribas group's affiliated brokers/counterparties. These brokers/counterparties are subject to the same broker selection and evaluation process and rules as any other broker/counterparty, and receive no preferential consideration.

Further details on the Securities Services general policy for identification, prevention and management of conflict of interest can be found on the link :

https://securities.bnpparibas.com/files/live/sites/web/files/medias/documents/regulatory-disclosures/conflict-inter_en_2017-12-22.pdf

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

BNP Paribas Securities Services does not have any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits.

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;

Not applicable. BNP Paribas Securities Services' clients determine the list of eligible brokers and counterparties and ultimately the latter has the responsibility of applying client specific constraints/instructions with regards to the list of execution venues.

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;

All our clients are professional clients.

All clients are offered the same level of protection and service.

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;

All our clients are professional clients.

G. 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;

BNP Paribas Securities Services monitors the quality of execution through a series of reports and analysis – Transaction Cost Analysis with data provided by a third party provider; and Request for Quotes reports.



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.

Not applicable – BNP Paribas Securities Services did not use the output of a consolidated tape provider.