

Order Execution Summary



INTRODUCTION

We are Saxo Bank A/S. We refer to ourselves as “Saxo Bank” or simply “we”, “us” or “our” in this document. This Order Execution Summary sets out the principles that we follow to obtain the best results for our clients when executing orders, that we refer to as “Best Execution”. Although the regulations that we adhere to make a distinction between retail and professional clients, when we execute orders in financial instruments this Summary applies equally to both categories.

Saxo Bank also offers portfolio management services where we follow discretionary, pre-defined strategies. Details of these strategies are available to all clients on request. These strategies are routed and executed wholly with Saxo Bank and this Summary sets out the principles that we follow to obtain Best Execution for these orders too.

When dealing with clients, we must act honestly, fairly, professionally and in the best interest of the client. In relation to order execution, we must take all sufficient steps to obtain the best possible result when executing client orders or when placing orders with, or transmitting orders to, other entities to execute.

Whilst we may not achieve Best Execution for any single order, our Order Execution Summary aims to show how we apply, monitor, and review all orders to achieve the best possible result for all orders.

Classes of financial instruments covered by our Order Execution Summary				
Bonds	Cash Equities & Exchange Traded Products	CFDs on Equities, CFDs on Exchange Traded Products and SRDs	CFDs on Indices	CFDs on Futures
CFDs on Options	Exchange Traded Futures	Exchange Traded Options	Rolling Foreign Exchange Spot	Foreign Exchange Swaps
Foreign Exchange Forwards	Foreign Exchange Options	Mutual Funds	Structured Products	

Upon acceptance of your order and when there is no specific client instruction regarding the execution method, we will execute the order in accordance with this Summary.

When you place an order with us, you consent that the order will be executed in accordance with this Order Execution Summary.

BEST EXECUTION OF ORDERS

We determine Best Execution by taking into account the;

- **Total Consideration** paid to or by the client;
- **Execution Factors.** The relative importance of these factors for any particular order is determined by the;
- **Execution Criteria.**

Total consideration is the 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 such as Execution Venue fees, clearing and settlement fees and any other fees paid to third parties involved in the Execution of the Order.

When assessing whether Best Execution has been achieved, we do not take our standard charges into account. This is because these will be paid by the client irrespective of how the order is executed.

Execution Factors

We consider several criteria of the order to obtain best execution. These are called the Execution Factors:

- a) Price - the market price at which the order is executed.
- b) Costs - any additional charges that may be incurred in executing the order in a particular way over and above Saxo Bank's standard charges.

The price and costs together are also known as Total Consideration.

- c) Speed of Execution – this can be particularly important in fast moving markets.
- d) Likelihood of Execution and Settlement – the best price is of little use if we cannot execute at it or if the transaction fails to complete.
- e) Size & nature of the order – the way that we execute an unusual order (for example, one that is larger than the normal market size or has unusual features such as an extended or shortened settlement period) may differ from the way it executes a standard order.
- f) Market Impact – the effect that executing a client's order, or showing it to other market participants, might have upon the market.
- g) Other factors relevant to order types – as applicable.
- h) Any other considerations related to the order.

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The order of importance of Execution Factors that we will use to ensure Best Execution for an order depends on the financial instrument. The order of importance for each financial instrument is shown below.

Bonds

- 1) Price;
- 2) Likelihood of execution and settlement;
- 3) Speed;
- 4) Expected impact of execution (size & type of order);
- 5) Costs;
- 6) Other factors.

Mutual Funds

- 1) Costs;
- 2) Price;
- 3) Speed;
- 4) Likelihood of execution and settlement;
- 5) Other factors.

Cash Equities & Exchange Traded Products, CFD Equities & CFD Exchange Traded Products, CFD Indices, Structured Products

- 1) Price;
- 2) Costs;
- 3) Expected impact of execution (size & type of order);
- 4) Likelihood of execution and settlement;
- 5) Speed;
- 6) Other factors.

Exchange Traded Futures, Exchange Traded Options, CFD Futures, CFD Options

- 1) Price;
- 2) Costs;
- 3) Expected impact of execution (size & type of order);
- 4) Speed;
- 5) Likelihood of execution and settlement;
- 6) Other factors.

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Rolling Spot Foreign Exchange

Non-Limit Orders

- 1) Total Consideration.

Limit-Orders

- 1) Price;
- 2) Speed;
- 3) Likelihood of execution and settlement.

Foreign Exchange Forward, Foreign Exchange Swaps

- 1) Total Consideration;
- 2) Speed;
- 3) Likelihood of execution and settlement.

Execution Criteria

Based on its assessment of the Execution Factors and the Execution Criteria, we will select one or more venue(s) for the execution of the clients' orders.

Venues used which we place significant reliance upon to meet our Best Execution obligations include:

- a) Regulated Markets;
- b) Multilateral Trading Facilities;
- c) Systematic Internalisers
- d) Liquidity provided from Saxo Bank's own internal book
- e) Other Counterparties acting as Liquidity Providers or Market Makers

Liquidity Provider and Market Maker venues may be quote driven and not electronically traded. As a consequence client orders may not be visible on a centralised order book and the order will be solely dependent on the liquidity provider or market maker for execution. This may be the situation in less liquid cash equity securities for example some of the SEAQ names listed on the London Stock Exchange or unlisted Investment Funds.

In determining which counterparties to engage with, our primary selection factor is the counterparty's ability to conform with our Order Execution Summary's execution factors such as to ensure that all sufficient steps have been taken to achieve best execution of client orders.

We will take reasonable care not to discriminate between execution venues other than based on the Execution Factors relevant to the order concerned and other relevant considerations for each execution venue, such as any clearing schemes, circuit breakers and scheduled actions. We have access to several exchanges and other execution venues either directly or through its order routing Brokers. A list of the main execution venues including brokers we use is available in the Saxo Bank Execution Venues & Order Types document on the Saxo A/S website.

We select a limited number of execution venues. The primary selection factor for execution venues is how each execution venue enables us to meet the Execution Factors to achieve Best Execution for clients and we monitor this on an ongoing basis.

Saxo Bank produces annual reports on the top five execution venues in terms of trading volumes for the preceding year and information on the quality of the execution obtained. These reports are available here: <https://www.home.saxo/legal/general-business-terms/saxo-general-business-terms>.

Based on the current exemption granted by ESMA, we are not currently publishing our quarterly reports with information about how well we execute trades.

Specific Instructions

Clients may ask us to execute their orders in accordance with specific instructions – either generally or on a case-by-case basis. This includes where a client instructs us to execute an order on a particular execution venue. To the extent that we can accommodate such requests, we will do so. However:

- a) **Where a client gives us specific instructions that conflict with this Summary, we will give those specific instructions priority. This means that we may not be able to achieve Best Execution for that order.**
- b) Where the specific instructions will result in higher costs, we may reflect those additional costs in its charges to the client. In this case, we will, where possible, notify the client of its revised charges before accepting the order(s).
- c) To the extent that there is no conflict, we will continue to follow this Order Execution Summary.
- d) We offer portfolio management services where we follow discretionary, pre-defined strategies. Clients cannot submit specific instructions for portfolio management trades.

Event of Client Default or other liquidation event

In an Event of Client Default, (e.g., insufficient margin), or other liquidation event (e.g., Account Value Shield Trigger), we may seek to immediately terminate, cancel and close-out all or part of any outstanding positions. We retain discretion as to how to handle the close-out, including with respect to order execution, fill quantity, aggregation, priority and pricing.

ORDER HANDLING

Execution of Client Orders

When executing your order, we may act as principal, by dealing on our own account, you will then trade the financial instrument in question directly with us. We may act as a riskless principal or as your agent, where we fill your order via an execution venue or by transmitting your order to one of our brokers or affiliated entities and third parties who will then execute it. At your request we can provide additional information about the risks when we trade your order outside a "Trading Venue".

When we choose between different ways of executing orders, our focus will be on our obligation to act in accordance with the best interests of our clients. When we choose to execute your order via a broker, we will choose a broker that, in our opinion, offers the best possibilities of ensuring Best Execution.

We may send orders to be executed with a different time in force to that specified by the client.

Where an order is placed in a instrument admitted to trading on a regulated market, we are not obliged to publish that order if it cannot be immediately executed under prevailing market conditions. For example, a limit order which is very passive in price relative to the exchanges own tolerances, may not be routed until the prevailing market price moves within the acceptable exchange tolerance.

Monitoring, Evaluation & Changes

We continuously monitor the handling and outcomes of client's orders against the execution factors and execution criteria set out in this Summary. We also assess the performance of strategies and execution venues against these execution factors and criteria. If we find that outcomes are not satisfactory, we will make the necessary changes to ensure that we achieve Best Execution for our clients.

Aggregation and split

Where we execute orders against our own internal liquidity, we will aggregate the risk from a client's transactions with risks arising on other clients' orders and will undertake hedging activities at other dealing venues in the manner that we consider to be most efficient. We will check the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of the product and, where possible, by comparing with comparable products.

Information Sharing

Saxo Bank has access to and may use and provide counterparties with client information, but will only do so on an anonymous and aggregated basis. This information may include but is not limited to, your orders, positions, trade and other data and analytics (collectively, "Anonymous and Aggregated Data").

This Anonymous and Aggregated Data may be used for market information, analytical tools, risk management strategies for market making and liquidity provision and other Saxo Bank products and services.

The nature of any Anonymous and Aggregated Data provided to you may differ from that provided to other counterparties in terms of quantity, scope, methodology or otherwise and may be changed from time to time without notice to you.

Market Volatility

Market volatility impacts the handling and execution of orders. Clients should be aware of the following risks associated with volatile markets, especially at or near the open or close of the standard trading session:

- a) Execution at a substantially different price from the quoted bid or offer or the last reported price at the time of order entry, as well as partial executions or execution of large orders in several transactions at different prices.
- b) Delays in executing orders for financial instruments that we must send to external market makers and manually routed or manually executed orders.
- c) Opening prices that may differ substantially from the previous day's close.
- d) Locked markets (the bid equals the offer), crossed (the bid is higher than the offer), halted markets, limit up (buys halted)/limit down (sales halted), protected markets (market orders converted to exchange pre-defined limits) which may prevent the execution of client orders.

When there is a high volume of orders in the market, order imbalances and back logs can occur. This implies that more time is needed to execute the pending orders. Such delays are usually caused by the occurrence of different factors:

- a) the number and size of orders to be processed;
- b) the speed at which current quotations (or last-sale information) are provided to us and;
- c) the system capacity constraints applicable to the given exchange, as well as to us and other firms.

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Orderly Markets

We are obliged to take necessary steps to keep an orderly market, and so operate order filters. Exchanges and regulators require brokers to impose various pre-trade filters and checks to make sure that orders are not disruptive to the market and do not violate exchange rules.

Exchanges also apply their own filters and limiters to orders they receive. These measures can result in delays of order submission and execution and may also result in cancellation or rejection. We may offer to clients order types and combinations of order types not supported by an exchange or brokers and we reserve the right to impose filters and limiters on orders and will not be held liable for any effect of these whether implemented by us or the exchange. One example could be the exchange does not support a market order type, in this case we may translate a client's market order to an aggressive limit, use an algorithm to trade the order, or use an alternative method in order to try and obtain an execution whilst maintaining an orderly market. This could result in a market order not being filled.

Cash equity and CFDs on equity markets require a borrow of the instrument to be in place before a short trade can be initiated. We secure these borrows on behalf of clients where possible. Borrows can be recalled, meaning the lender requires the return of their stock. In order to fulfill this obligation we can close a client's CFD short position without prior notice.

Market Making and Risk Management

Market making and risk management activities may impact both the prices communicated to the client for a transaction and the availability of liquidity at levels necessary to execute orders.

These activities may also trigger or prevent the triggering of, resting orders, barrier options, vanilla option exercise and similar terms or conditions. We retain discretion as to how to satisfy competing interests, including with respect to order execution, fill quantity, aggregation, priority, and pricing.

REGULAR REVIEW

The Saxo Bank Best Execution Committee reviews this Summary annually and whenever a material change occurs that affects our ability to obtain the best possible result for the execution of client orders.

The Saxo Bank Best Execution Committee regularly reviews the overall quality of its order executions and its order routing practices, including its order routing vendors and the available exchanges. We will amend this Summary based on such reviews if we consider it to be necessary. Any new Summary will be made available on our websites and will be in force as from publication.

ABOUT SAXO BANK'S CHARGES

We charge for our services. These may vary depending on factors such as the service it is providing to the client; the way they are used; and the pricing plan that the client has agreed to. Details of our charges are available on our website.

Where we provide liquidity from our internal flow aggregation book, we will provide the client with a two-way dealing price. In normal circumstances, the difference between the bid price (at which we are willing to buy) and the ask price (at which it is willing to sell) will constitute part of its charges for the service we provide.

For the purpose of assessing whether it has achieved Best Execution, we will not take our standard charges that apply to a client's transactions irrespective of the venue at which they are executed into account.

We will, however, take account of any charges levied by a third party or incorporated into prices provided to us to reflect cost differentials of dealing at different execution venues.

DEALING ON SAXO QUOTES

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When trading over the counter (OTC) financial instruments with Saxo Bank, clients are trading on Saxo Bank's price. There are several factors that can be used to construct a price, and these will vary depending on the asset class traded, nature of the market and the characteristics of the transaction and any special market or credit risks posed by it. We apply a standardised method of calculation for these types of instruments to ensure that the price it is offering at any given time is always considered fair and the best price it can obtain on the client's behalf. In monitoring best execution for these types of instruments, we will monitor the calculation method to ensure that it is always applied consistently.

We will check the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

MORE INFORMATION

Clients can [contact us](#) to find out additional reasonable information about our policies and how they are reviewed with regards to the Order Execution Summary.