

Otkritie Capital Cyprus Limited

Registration # HE 165058

Date of Incorporation: 06/09/2005

License Number: 069/06

Issued by the Cyprus Securities and Exchange Commission

MiFID II RTS 28 – Annual Best Execution Disclosure for 2019 Top 5 Execution Venues for 2019 Quality of Execution Statement as of 30 April 2020

Within the framework of the EU Markets in Financial Instruments Directive (MiFID II) (DIRECTIVE 2014/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU), OTKRITIE CAPITAL CYPRUS LIMITED (hereinafter referred as the Company) is required to set up an order execution policy and to take all reasonable steps to obtain the best possible result for our clients. The Company is obliged to execute order on the most favourable terms whenever executing orders on financial instruments on behalf of Clients classified as Professional or Retail Clients. In this context it is essential to provide appropriate information to our clients on our order execution policy.

The Company is also required to make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where it executed client orders in the preceding year and information on the quality of execution obtained. The information is reported in the format specified EU Regulation 2017/576.

This document provides a summary analysis of the Company's execution data by class of Financial Instrument for Retail and Professional Clients as prescribed by MiFID II, obtained as a result of detailed monitoring of the quality of its execution data and conclusions that the Company has made.

Execution venues Summary of the analysis and conclusions from a Company's execution monitoring (under Art. 3 of EU Regulation 2017/576)

The Company did not execute clients' orders on execution venues as they determined in Art. 27 of EU Regulation 2017/565 during the reporting period. Execution venues are a regulated market, multilateral trading facility (MTF, which operates like an exchange), other trading facility, OTKRITIE CAPITAL CYPRUS LIMITED itself acting as a market maker or dealing for its own account, a systematic internaliser, or other liquidity providers either within or outside the European Economic Area.

In achieving best execution, the Company, as relevant and appropriate, takes into account a number of factors in choosing the venue, including:

- the price available and the depth of liquidity available at that price;
- transaction costs (i.e. the fees charged for executing an order on a particular venue, clearing and settlement) which are passed on to you whether directly or indirectly;
- conditions of securities delivery and place of securities keeping (specific custodian, registrar or depository);
- counterparty transparency and reputation;
- speed of execution on the market;
- likelihood of execution and settlement (e.g. market liquidity for the particular product);
- the ability of the venue to manage complex orders;
- clearing and settlement arrangements; and

- Any other consideration relevant to the execution of the order.

The relative importance of these factors varies between different financial instruments.

(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:

Taking into consideration the legal requirements concerning best execution for retail clients the priority is given to those factors that allow to deliver the best possible result in terms of the total consideration, representing the price of the financial instrument and the costs related to execution. In accordance with the execution policy the Company ensures that the execution policy of the execution broker enables the compliance with obligation to execute orders on the most favourable terms for clients following the importance of factors as specified herein. In executing of orders of clients, the Company uses broker that have direct access to a number of trading venues: Regulated Market, Multilateral Trading Facility (MTF), Organised Trading Facility (OTF).

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

The Company has no close links, conflicts of interests, and common ownerships with respect to execution broker specified the above.

(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received:

There is no such specific arrangements.

(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;

No such a change occurred.

(e) an 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:

The Company ensures that the execution policy of the execution broker enables the compliance with obligation to execute orders on the most favourable terms for clients following the importance of factors as specified herein.

The Company's clients are classified as either Retail or Professional, but regardless of classification the Company treats all clients as Retail for the purposes of achieving Best Execution, or getting the best possible result for the Client when carrying out trades.

(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:

No other criteria were given precedence over immediate price and cost. The importance of the various execution factors for various financial instruments are presented above.

(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;

Since legal requirements on data or tools relating to the quality of execution became effective as from 3 January 2018 no such data or tools were used for the reporting period.

(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.

Since legal requirements on output of a consolidated tape provider became effective as from 3 January 2018 no such output was used for the reporting period.

Table 1

Top 5 Execution Venues per category of financial instrument for Retail Clients (2019)

Class of instrument	Equities - Shares & Depository Receipts (iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)				
Notification if <1 average trade per business day in the previous year	Y				
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 percentage of total in that class	Percentage of passive ¹ orders	Percentage of aggressive orders	Percentage of directed orders
Sova Capital Limited (LEI 213800T9OJMZA69QDM04)	100%	100%	n/a	n/a	0%
Otkritie Broker JSC (LEI 213800VDYEGJETJ1QL56)	0%	0%	n/a	n/a	0%
Raiffeisen Centralbank AG (LEI 9ZHRYM6F437SQJ6OUG95)	0%	0%	n/a	n/a	0%

¹ As clarified in ESMA Questions and Answers On MiFID II and MiFIR investor protection and intermediaries topics the distinction between passive and aggressive orders as defined in Article 2 of EU Regulation 2017/576 is likely not relevant and will not need to be disclosed where the investment firm transmits orders an entity for execution (broker). The same applies for the portfolio management services in the case if portfolio manager sends an order to an entity for execution (broker).

Class of instrument	Debt instruments: Bonds				
Notification if <1 average trade per business day in the previous year	Y				
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Sova Capital Limited (LEI 213800T9OJMZA69QDM04)	89%	100%	n/a	n/a	0%
Otkritie Broker JSC (LEI 213800VDYEGJETJ1QL56)	0%	0%	n/a	n/a	0%
Raiffeisen Centralbank AG (LEI 9ZHRYM6F437SQJ6OUG95)	11%	100%	n/a	n/a	0%

Table 2

Top 5 Execution Venues per category of financial instrument for Professional Clients (2019)

Class of instrument	Equities - Shares & Depositary Receipts (iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)				
Notification if <1 average trade per business day in the previous year	Y				
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Sova Capital Limited (LEI 213800T9OJMZA69QDM04)	100%	100%	n/a	n/a	0%
Otkritie Broker JSC (LEI 213800VDYEGJETJ1QL56)	0%	0%	n/a	n/a	0%

Raiffeisen Centralbank AG (LEI 9ZHRYM6F437SQJ6OUG95)	0%	0%	n/a	n/a	0%
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Class of instrument	Debt instruments: Bonds				
Notification if <1 average trade per business day in the previous year	Y				
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Sova Capital Limited (LEI 213800T9OJMZA69QDM04)	0%	0%	n/a	n/a	0%
Otkritie Broker JSC (LEI 213800VDYEGJETJ1QL56)	100%	100%	n/a	n/a	0%
Raiffeisen Centralbank AG (LEI 9ZHRYM6F437SQJ6OUG95)	0%	0%	n/a	n/a	0%