

## Execution Quality

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### Information on the quality of execution obtained by Swissquote Bank Europe SA

This report summarises the analysis and the conclusions drawn from detailed monitoring of the quality of execution obtained on the execution venues where client orders were executed in the previous year, as per Art. 27.6 of Directive 2014/65/EU ("MIFID II") and Art. 3 of Commission delegated Regulation 2017/576 ("RTS 28").

This report covers the period from 1 January 2022 to 31 December 2022 and should be read in conjunction with Swissquote's Best Execution Policy and Top 5 Execution Venues and top 5 Brokers report. Both documents are available on the Bank's website.

#### (a) Equities – Shares & Depository Receipts

**(a) 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**

In order to assess the quality of execution, Swissquote compares the execution quality with benchmarks from an independent provider. Alerts are generated when the price of execution is superior (in case of buy) or inferior (in case of sale) to the market price and investigated based on a sampling. Some of the alerts can be closed considering the characteristics of the order (e.g., limit orders), volume, or probability of settlement.

**(b) Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders**

Swissquote Bank Ltd has a participation in SIX group AG, the Swiss stock exchange. Swissquote Bank Europe SA does not have conflicts of interests or common ownerships with respect to any execution venues used to execute equity orders.

**(c) Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or nonmonetary benefits received**

There are no specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received for the trading of equity instruments. In delegating the execution of orders to Swissquote Bank Ltd through an integrated execution platform, the Bank does not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular execution venue which would infringe conflicts of interest or inducement requirements under MiFID regulations. Swissquote Bank Europe SA does not partake in any payment for order flow arrangements.

**(d) 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 material changes occurred in the past year.

**(e) 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**

Swissquote Bank Europe SA focuses on the price of execution for all of its clients, including retail clients.

**(f) Other criteria that 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.**

In specific situations other criteria can take precedence over price, such as the characteristics of the order (e.g., limit orders), volume, or the probability of settlement.

**(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**

Swissquote Bank Europe SA monitors the quality of execution provided by brokers used to execute client orders in all asset classes on a consistent basis using an independent provider and internal tools, depending on the asset class being executed. We use a variety of metrics in order to assess the quality of execution provided to its clients. The metrics are used to assess the quality of client order handling and execution quality post-trade. This includes, but is not limited to, adherence to order instructions, the management and timeliness of order passing and execution.

**(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**

For this past year, the bank used no data from consolidated tape providers established under Article 65 of Directive 2014/65/EU.

**(b) Bonds**

**(a) 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 Bank offers limited services in this respect. For fixed income trading, the explicit cost of execution is included in the price executed via a spread that is not public. Trading costs and fees are determined by the liquidity of the security influencing the size of the spread.

**(b) Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders**

Swissquote has no conflicts of interests or common ownerships with respect to any execution venues used to execute fixed income orders.

**(c) Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or nonmonetary benefits received**

There are no specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received for the trading of debt instruments.

**(d) 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 changes occurred in the past year.

**(e) 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**

Swissquote focuses on the price of execution for all of its clients, including retail clients.

**(f) Other criteria that 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**

In specific situations other criteria can take precedence over price, such as volume or the probability of settlement (in case of illiquid instruments).

**(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**

Over the past year, the Bank relied on the qualitative assessment made by its internal clients to assess best selection.

**(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**

For the past year, the bank used no data from consolidated tape providers established under Article 65 of Directive 2014/65/EU.

**(c) Interest rates derivatives**

**(i) Futures and options admitted to trading on a trading venue**

No trades.

**(ii) Swaps, forwards, and other interest rates derivatives**

No trades.

**(d) Credit derivatives**

No trades.

**(e) Currency derivatives**

**(i) Futures and options admitted to trading on a trading venue**

**(a) 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**

Swissquote allocates all its transactions on futures and options to Swissquote Bank Ltd, based on the quality of its operational set-up. The main criterion to assess best execution remains price.

**(b) Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders**

Neither Swissquote Bank Europe SA nor Swissquote Bank Ltd have close links, conflict of interests or common ownerships with respect to any execution venues used to execute listed currency derivatives.

**(c) Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or nonmonetary benefits received**

There are no specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received for the trading of currency derivatives.

**(d) 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 were no changes in the list of execution venues used to execute currency derivative transactions in the past year.

**(e) 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**

Swissquote focuses on the price of execution for all of its clients, including retail clients.

**(f) Other criteria that 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**

Price availability and operational risk were the two factors used to select executing brokers enabling Swissquote to deal in currency derivatives.

**(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**

Over the past year, the Bank relied on the qualitative assessment made by its internal clients to assess best selection.

**(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**

For the past year, the Bank used no data from consolidated tape providers established under Article 65 of Directive 2014/65/EU.

**(ii) Swaps, forwards, and other currency derivatives**

No trades.

**(f) Structured finance instruments**

No trades.

## (g) Equity derivatives

**(a) 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**

Swissquote Bank Europe SA decided to allocate all its transactions on equity derivatives to Swissquote Bank Ltd, based on the quality of its operational set-up. The main criterion to assess best execution remains price.

**(b) Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders**

Neither Swissquote Bank Ltd nor Swissquote Bank Europe SA have close links, conflict of interests or common ownerships with respect to any execution venues used to execute equity derivatives.

**(c) Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or nonmonetary benefits received**

There are no specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received for the trading of equity derivatives.

**(d) 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 were no changes in the list of execution venues used for equity derivative transactions in the past year.

**(e) 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**

Swissquote Bank Europe SA focuses on the price of execution for all of his clients, including retail clients.

**(f) Other criteria that 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**

Price availability and operational risk were the two factors used to select executing brokers enabling Swissquote to deal in equity derivatives.

**(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**

For the past year, the Bank relied on the qualitative assessment made by its internal clients to assess best selection.

**(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**

For the past year, the Bank used no data from consolidated tape providers established under Article 65 of Directive 2014/65/EU.

## (h) Securitized derivatives

No trades.

## (i) Contracts for difference (CFDs)

Trades are directed through Swissquote Bank Ltd for execution through an integrated execution platform. The Bank aims to ensure that those OTC transactions are executed at a fair market price, based on sample checking and independent verification by Compliance at Swissquote Bank Europe SA.

## (j) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

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

Swissquote Bank Ltd has a participation in SIX group AG, the Swiss stock exchange. Swissquote Bank Europe SA does not have conflicts of interests or common ownerships with respect to any execution venues used to execute ETF orders.

**(c) Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or nonmonetary benefits received**

There are no specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received for the trading of equity instruments. In delegating the execution of orders to Swissquote Bank Ltd through an integrated execution platform, the Bank does not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular execution venue which would infringe conflicts of interest or inducement requirements under MiFID regulations. Swissquote Bank Europe SA does not partake in any payment for order flow arrangements.

**(d) 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 material changes occurred, however Swissquote added some additional stock markets to its list.

**(e) 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**

Swissquote focuses on the price of execution for all of its clients, including retail clients.

**(f) Other criteria that 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**

In specific situations other criteria can take precedence over price, such as the characteristics of the order (e.g., limit orders), volume, or the probability of settlement.

**(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**

Swissquote Bank Europe SA monitors the quality of execution provided by brokers used to execute client orders in all asset classes on a consistent basis using an independent provider and internal tools, depending on the asset class being executed. We use a variety of metrics in order to assess the quality of execution provided to its clients. The metrics are used to assess the quality of client order handling and execution quality post-trade. This includes, but is not limited to, adherence to order instructions, the management and timeliness of order passing and execution.

**(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**

For this past year, the bank used no data from consolidated tape providers established under Article 65 of Directive 2014/65/EU.

**(k) Emission allowances**

No trades.

**(l) Other instruments**

No trades.