



Ebury What borders?®

Ebury Partners Market Limited

Best Execution Policy

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Each of the terms that appear henceforth in bold are defined in the Definitions Section at the end of this document.

1. Introduction

Ebury Partners Markets Limited (hereinafter indistinctly, “EPM” or the “entity”) is based in 100 Victoria Street, London SW1E 5JL. EPM is the Investment Firm for Ebury Group and is licensed with the FCA to provide regulated services and products under a matched principal basis (FRN 784063). It is a sister entity of Ebury Partners UK Limited (‘EPUK’) licensed by the Financial Conduct Authority (‘FCA’) as an electronic money institution (FRN 900797).

EPM was incorporated in 2017 to provide regulated investment FX products and services. As such EPM is subject to the provisions of the Directive 2014/65/EU, of 15 May, on Markets in Financial Instruments (hereinafter, “MiFID II”), which became effective in the UK from January 2018 and supplements the regulatory obligations for authorised firms specified in the Financial Conduct Authority (‘FCA’) Handbook.

In accordance with MiFID II and its implementing regulations, EPM must draw up a Best Execution policy and adopt all sufficient steps to obtain the best possible result (or “best execution”) for its Professional Clients, in the execution of Client Orders.

In addition, EPM is obliged to provide appropriate information to its Clients regarding its Best Execution Policy. For this reason, a copy of this document will be made available on the EPM website (<https://ebury.com/legal/>).

The purpose of this document is to provide Clients with information about EPM’s Order Execution policy derived from MiFID II and to obtain their consent to the document.

2. About EPM and Scope

Since 2010, Ebury Partners UK Limited has offered its clients spot and forward foreign exchange products. Pre MiFID II, the provision of FX forwards has been an unregulated activity. This unregulated status derives from Article 84(2) of the Regulated Activities Order 2001 which exempts from regulation FX contracts made for commercial, not investment, purposes (the ‘commercial purpose exemption’).

Historically, interpretation of the commercial purpose exemption across the FX broking industry has been to regard any contract taken out with a trading enterprise to be, de facto, for a commercial purpose, with the result that any FX forward contract of any description has been deemed to be outside regulation.

MiFID II effectively re-defined the commercial purpose exemption. It leaves as unregulated, deliverable FX contracts that are taken out to facilitate a means of payment for identifiable goods and services and direct investments. However, it also stipulates particular types of FX forward to be regulated products:

- Non-deliverable forwards (“NDFs”); and
- Forwards taken out for balance sheet hedging purposes.



EPM's strategic purpose is to provide these products to clients with specific hedging requirements best served by balance sheet hedging forwards or NDFs, and thereby retain those clients within Ebury group.

EPM employs these permissions within a matched principal broker model in which it concludes FX agreements with its clients, and then, under a separate agreement, hedges its exposure through an equal and opposite trade concluded with a counterparty. As neither trade is negotiated on exchange, each transaction is considered to be 'over-the-counter' ("OTC").

This document only applies to clients classified by EPM as Professional Clients and with dealings in Financial Instruments.

The EPM's Best Execution policy will not apply to clients classified as Eligible Counterparties; in these cases this document is solely for information purposes. Best execution is required when EPM accepts an order to execute a transaction on the client's behalf, or in other circumstances where it has otherwise expressly agreed to accept such best execution obligation.

3. Execution factors

The Execution Factors that will be considered when executing Client Orders in their best interest are:

- Price.
- Costs any external costs relevant to the execution.
- Speed of the actual execution.
- Likelihood of execution and settlement.
- Size and nature of the order.
- Market impact.
- Any other relevant consideration to the execution of your transaction.

If you are a Professional Client, in general we would expect price to be the most significant factor in the execution of your transactions unless you have instructed us otherwise. However there may be circumstances where, depending on the nature of the transaction, other Execution Factors should be prioritised over price.

4. Specific Client Instructions

Where EPM receives a specific instruction from a client, it must follow the principles established in this policy to ensure it fulfils its Best Execution obligations, although only insofar as they relate to the execution factors set out within the client's instruction. EPM is not permitted to induce a client to issue a specific instruction where it is aware that such an instruction would not deliver the best possible outcome for the client.



5. Execution methods - OTC products

EPM will ensure that it can demonstrate how it has achieved the best possible result for its clients when executing Client Orders.

As EPM provides Over the counter products (“OTC products”), the entity will ensure that it can demonstrate how the best possible result has been achieved following the requirements established in the Fairness of the price procedure approved by EPM.

The Fairness of the price procedure is the governing procedure that provides guidance on the dealer operating processes in executing MIFID II transactions. This process is closely monitored by the correspondent teams in ensuring that both Best Execution and Fair Pricing are always adhered to throughout the execution of a MIFID II trade.

Following the entity’s Fairness of the price procedure, the dealing team will offer to clients, products which are priced as closely as possible to the indicative exchange rates shown on Bloomberg or equivalent market rates available at the time when the client agrees to trade, and select the best price offered among EPM’s Liquidity Providers.

6. Consent

It is EPM’s policy to provide new clients with a copy of this Best Execution Policy, apart from that the policy will also be available on Ebury’s website (<https://ebury.com/legal/>).

It is EPM’s policy to obtain a client’s consent to the Best Execution Policy by agreeing to it as part of EPM’s terms and conditions.

It is EPM’s policy to advise all clients of any material changes to its policy.

7. Review

EPM will review the Best Execution Policy at least once a year, along with its order execution systems, for the purpose of checking that they allow the best possible results to be obtained consistently and systematically for EPM’s Clients.

This review will be carried out whenever a material change occurs affecting EPM’s capacity to continue to systematically obtain the best possible result in the execution of Client Orders using the Liquidity Providers considered in this policy.

In particular, an assessment will be performed to determine whether a significant change has occurred and the pertinence of modifying the relative importance of best execution factors will be considered with regard to general compliance with achieving the best execution possible.

EPM will undertake periodic monitoring tasks at least once a year, of the compliance with the Best Execution Policy.



8. Definitions

Professional Client – customer who complies with the criteria established in Appendix II of MiFID II.

OTC products – Over the counter products. Products trading out of a regulated market.

Regulated Market – means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly;

Material changes – Any changes that affect the Execution factors indicated in Section 3 will be considered material changes.

Execution Factors – aspects outlined in Section 3 of this document.

Client Order – an instruction from the client to purchase or sell a Financial Instrument that is accepted by EPM for its execution.

Liquidity Provider – Third parties that provide EPM of liquidity.

Regulated FX contracts – This document refers to regulated FX contracts as those provided by EPM in particular Non-deliverable forwards (“NDFs”), and Forwards taken out for balance sheet hedging purposes.



Appendix I: List of Liquidity Providers

EPM executes trades against its sister entity, Ebury Partners UK Limited, that has the existing relationship with the end Liquidity Providers; four of these are:

- Barclays
- City Bank
- Goldman Sachs
- Societe Generale

EPM may use other Liquidity Providers with lower frequency. In most of these cases, it will be because of particular or exceptional reasons such as it may be the sole Liquidity Provider providing a particular currency.

EPM will publish annually on its website, for each class of Financial Instruments, the top five main Liquidity Providers in terms of trading volumes, in which Client Orders were executed the preceding year.

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Ebury Partners Markets Ltd is authorised and regulated by the Financial Conduct Authority as an Investment Firm to provide advice and execute trades in FX Forwards. Reference number: 784063.

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