

# Summary of Monitoring and Top Five Execution Venues (MiFID II – RTS 28)

## SMBC

**Legal entity identifier (LEI): 5U0XI89JRFVHWIBS4F54**

- Sumitomo Mitsui Banking Corporation – Brussels branch
- Sumitomo Mitsui Banking Corporation – Düsseldorf branch
- Sumitomo Mitsui Banking Corporation – London branch

## Top Five Execution Venues

SMBC Entity	Class of Instrument	Notification if <1 average trade per business day in the previous year	Top five execution venues ranked in terms of trading volumes	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
SMBC (5U0XI89JRFVHWIBS4F54)	Currency derivatives: swaps, forwards and other currency derivatives	N	SMBC	99.94 %	99.80 %	N/A	N/A	N/A
SMBC (5U0XI89JRFVHWIBS4F54)	Currency derivatives: swaps, forwards and other currency derivatives	N	FXALL	0.06 %	0.16 %	N/A	N/A	N/A

## Summary of Monitoring

Class of Financial Instrument and Currency Derivatives

**(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.**

Please refer to the SMBC Group Order Execution Policy for an explanation of the relative importance SMBC gives to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

SMBC takes into consideration the below execution factors when assessing the quality of execution:

- Price – the price at which a financial instrument is executed
- Cost of execution – the implicit cost such as the possible market impact, explicit external costs e.g. exchange or clearing fees and explicit internal costs which represent our own remuneration through commission or spread
- Speed of execution – the time it takes to execute a client transaction
- Size of the order – the size of the transaction executed for a client accounting for how this affects the price of execution

- Nature of the transaction and/or market – the particular characteristics of a client transaction can affect how Best Execution is received
- Likelihood of execution and settlement – the likelihood that we will be able to complete a client transaction and the likelihood that the transaction settles
- Creditworthiness of the counterparties

For Professional Clients and, generally, for all products where Best Execution applies, we consider that the price is the most important factor. However there may be some circumstances, when coming to our determination of the priority of such execution factors, that a variety of criteria are taken into account which may include, but are not limited to, the type of financial instrument that is the subject of the order, the type of order and its specific characteristics, such as the size of the order or the liquidity of the underlying, as well as the execution venues to which the order could be directed. Appropriate consideration will be made based on a transaction by transaction basis and will vary by asset class.

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

SMBC does not have any “close links”, interests or co-ownerships, in respect to third-party execution venues. Any conflicts of interest that may arise from time to time will be managed in accordance with the Conflicts of Interest Policy.

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

SMBC’s FX derivative business is undertaken over the counter (OTC) and through selected trading venues. For FX derivative business conducted OTC SMBC is always the execution venue. With regard to FX derivatives transacted through trading venues SMBC does not have any arrangements in place with the execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

**(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.**

The SMBC Group SMBC Group Order Execution Policy remains unchanged since MiFID II came into effect (i.e. on 3 January 2018) and, at the time of this annual publication, no changes in execution venues have been made.

**(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.**

Professional Clients —

For Professional Clients and, generally, for all products where Best Execution applies, SMBC considers that the price is the most important factor. However there may be some circumstances, when coming to our determination of the priority of such execution factors, that a variety of criteria are taken into account which may include, but are not limited to, the type of financial instrument that is the subject of the order, the type of order and its specific characteristics, such as the size of the order or the liquidity of the underlying, as well as the execution venues to which the order could be directed.

In SMBC Brussels and SMBC London Best Execution will apply to Professional Clients only where they legitimately rely on SMBC to protect their interests or in other circumstances where SMBC has expressly agreed to accept such a Best Execution obligation.

SMBC Brussels and SMBC London will provide Best Execution when:

- Executing an order on a client’s behalf (including request for quotes).
- Executing an order on a client’s behalf where the client has accepted a quote and if the client is legitimately relying on SMBC as determined by the four-fold test or if SMBC is dealing on its own account.

To determine whether a client is placing ‘legitimate reliance’ on SMBC Brussels or London, a number of considerations will be taken into account (referred as the four-fold test):

- Whether the client initiates the transaction.

- Market practice assessment and existence of a convention to shop around.
- Relative levels of transparency within the market.
- The information provided by SMBC and the terms of our agreements with the client.

In SMBC Düsseldorf, Best Execution will be provided to all Professional Clients.

Retail Clients —

For Retail Clients SMBC only consider the factors of price and costs (“Total Consideration”). Total Consideration is composed of the execution price of the financial instrument and of all costs directly or indirectly related to the execution of it, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution order.

Please refer to the SMBC Group Order Execution Policy for more detail disclosures across various SMBC branches.

**(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 business result in terms of the total consideration to the client.**

Not applicable.

**(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 to be inserted before publication [RTS 27].**

SMBC has in place a post execution monitoring framework which utilises market data to assess client transactions against an internal pricing framework. Monitoring is undertaken via a best execution monitoring system.

**(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.