

## **The Iyo Bank, Ltd. Singapore Branch**

### **Best Execution Policy**

#### **1. Introduction**

This Disclosure is issued pursuant to the Monetary Authority of Singapore (“MAS”) Notice on Execution of Customers’ Orders (Notice No. SFA 04-N16) (“Best Execution Notice”) and the MAS Guidelines to MAS Notice SFA 04-N16 on Execution of Customers’ Orders (Guideline No. SFA 04-G10) (“Best Execution Guidelines”).

This disclosure statement provides relevant customers with information on order execution under our Best Execution Policy, including the considerations and approach by us to provide Best Execution for our customers in the execution of relevant trades.

To the extent that you continue to maintain your trading relationship with The Iyo Bank, it will be on the basis that you have read and understood this disclosure.

#### **2. Scope and Application of the Best Execution Policy**

This Policy applies only to those corporate banking customers who are classified as Accredited Investors or Expert Investors as defined under Securities and Futures Act 2001 (SFA) and who deal in capital markets products which are over-the-counter (OTC) derivatives with us. Customers who are classified as Institutional Investors under the SFA are not entitled to any protections established in this Policy. The Best Execution obligation we owe you under this Policy is only applicable if you are relying on us to protect your interests in relation to the execution of the transaction. In determining reliance, we will consider the following factors:

- (i) Who initiated the order: Where you initiate the transaction, it is less likely that you are placing reliance on us. In circumstances where the Bank may communicate trade ideas, market communication or indicative processes as part of our general business, we regard these communications as purely for information purposes and such communications shall not be deemed to have initiated the transaction.
- (ii) Market practice and existence of a convention to “shop around”: Where it is conventional market practice for clients to “shop around” by approaching several dealers for quotes, it is less likely that you will be placing legitimate reliance on us.
- (iii) Relative levels of price transparency: In circumstances where pricing information is transparent and it is reasonable that you have access to such information, it is less likely that you are placing reliance on us.
- (iv) The information provided by you and any agreement reached: Where any agreements or arrangements with you do not indicate or suggest that an understanding has been reached that you will place any legitimate reliance on us or that we have agreed to provide best execution in our transactions with you.

This Policy does not apply to you if we have assessed that you are not relying on us to achieve best execution of in-scope products determined in accordance to the above.

### **3. Best Execution Factors**

3.1 Where a duty to achieve Best Execution is indeed assessed to be owed, and unless the customer gives specific instructions, we will consider the following factors when executing a transaction on behalf of the customer:

- (i) Price – Price at which the order is executed.
- (ii) Costs – Costs relating to possible market impact, external costs such as exchange or clearing fees and internal costs such as internal spreads.
- (iii) Size of the Order – The size and nature of the order may affect the price of execution.
- (iv) Speed – The time it takes to execute your order.
- (v) Likelihood of execution or settlement – The likelihood that we will be able to complete your order.
- (vi) Nature of the order and any other considerations relevant to the placement and/or execution of the order.

3.2 In determining the relative importance and/or the applicability of the factors, we will consider the following characteristics:

- (i) The characteristics of the customers we serve. The types of financial products for which we are accepting execution orders for;
- (ii) The characteristics of the execution venues or brokers to which the order can be directed. Where there is more than one execution venue or broker, we will consider the respective merits of each venue or broker and document the basis for selecting the venue or broker; and
- (iii) The characteristics of your orders.

3.3 The application of best execution policy involves the exercise of commercial judgment in the context of available information. Upon you engaging us, we will seek to execute your order on the best available terms in the manner set out in this policy.

### **4. Specific Instructions**

Where specific instructions are given by the customer regarding the execution of an order or a part of the order, we will ensure execution in accordance with those instructions. In such circumstances, we will consider itself as having satisfied its Best Execution obligations with respect to the part of the customer order to which the instruction relates, when those instructions have been correctly carried out. Where the customer provides specific instructions covering only part of an order, we will not consider itself released from its Best Execution obligations for the parts of the order which are not covered by the instructions. In this case, we will comply with this Best Execution policy to that part of the trade which is not covered by specific instructions. Where specific instructions given by the customer cannot be followed, we will inform the customer of the reasons before executing such orders. There may be some orders, depending on the circumstances we will not be able to accept.

## **5. Execution Venues**

Where there is only one appropriate Execution Venue available for execution of the customer order, the Branch will only use that single venue to fill the order. Where the use of one of the usual Execution Venues would not, in a particular situation, result in the best possible result on the customer order, the Branch will consider other execution venues where available.

## **6. Monitoring**

We will regularly monitor and assess the effectiveness of our Best Execution Policy and associated arrangements in order to fulfill the regulatory requirements applicable to us. Regular assessments will be conducted on a regular basis to identify and where appropriate, address any deficiencies. Additionally, we will review our Best Execution Policy and associated procedures at least annually or whenever a material change occurs that affects our ability to continue to obtain the best possible result for our customers.

## **7. Updates to Best Execution Policy**

We will review our Best Execution Policy on a periodic basis and reserve the right to update it as appropriate.

If you require further information on our Best Execution Policy, please contact your relationship Manager or contact The Iyo Bank., Ltd, Singapore Branch.