

# IS Prime Limited

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BEST EXECUTION REPORT FOR 2017

APRIL 2018

**is** Prime

## Spot FX MiFID II RTS 28 Disclosures<sup>1</sup>

### Introduction

IS Prime is a matched-principal broker in over-the-counter spot foreign exchange and precious metals ("Spot FX").

In relation to Spot FX transactions that clients enter into with IS Prime, IS Prime acts as principal and not as agent on clients' behalf. IS Prime is therefore the sole execution venue for orders. This means that trades that are entered into will be between clients and IS Prime.

IS Prime's all-in prices are electronically generated from quotes sourced from Tier 1 liquidity providers which are then aggregated using an aggregator system to construct its pricing. Clients are therefore able to access prices from Tier 1 liquidity providers by trading with IS Prime.

### Qualitative Report

#### 1. Relative Factor Importance

- *Explanation of the relative importance the firm gave to the execution factors such as price, costs, speed and likelihood of execution when making assessments of the quality of execution*

##### 1) Price and Overall Consideration of Costs

- o IS Prime believes that price and overall consideration of costs is the most important execution factor. IS Prime's aim is to provide clients with a competitive all-in price and IS Prime does so by providing pricing sourced from quotes from Tier 1 liquidity providers which are aggregated using an aggregator system. As such, the best price that IS Prime offers at any given time is considered to be its best.
- o The aggregation of prices puts the liquidity providers in direct competition with each other allowing IS Prime to synthetically create its best all in price.
- o IS Prime's automated execution will match a client's order against the best price taking into consideration the size of the order.

##### 2) Speed, consistency and likelihood of execution

- o Due to the levels of volatility affecting both price and volume, IS Prime seeks to provide clients with the fastest execution reasonably possible although delays may occur.
- o Liquidity providers may be removed from the pricing if their response time is found to be too slow or the reject rate is too high.

##### 3) Size of order

- o Orders can be selected by size to utilise pricing from an alternative set of liquidity providers which provide deeper pools of liquidity to decrease the chance of a reject.
- o During the course of the year IS Prime sought opportunities for client orders to benefit from order size commitments offered by liquidity providers via the liquidity pool in order to reduce the risk of rejection, delay and enhanced slippage.

##### 4) Overall Execution Quality

- o IS Prime is focused on achieving prompt and reliable execution.

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<sup>1</sup> This report has been prepared for information purposes only and was developed for the purposes of best practice as the firm is under no obligation to prepare a RTS 28 disclosure for Spot FX.

- In relation to client orders that are selected for pre-hedging, IS Prime monitors the quality of execution provided by the liquidity providers in the liquidity pool.
- Liquidity providers may be removed from the pricing due to external factors such as an excessive rejection rate that would compromise execution quality.

## 2. Venue Conflicts

- *A description of any close links, conflicts and common ownerships with respect to any execution venues used to execute orders*

IS Prime is the sole execution venue for all client orders. Client orders are therefore not traded through or on any trading venue or other external execution venue.

## 3. Venue Payments

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

Not applicable, IS Prime is the sole execution venue.

## 4. Venue Changes

- *An explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy*

Not applicable, IS Prime is the sole execution venue.

## 5. Execution Analysis Tool

- *An explanation of how the firm used any data or tools in relation to the quality of execution.*

IS Prime, by using an aggregator and executing clients at the best price, believes best execution is achieved taking into consideration the size of the order.

## Top 5 Report

Professional Clients

<b>Class of Instrument</b>	Other instruments				
<b>Notification if &lt; 1 average trade per business day in the previous year</b>	N				
<b>Top five execution venues ranked in terms of trading volumes (descending order)</b>	<b>Proportion of volume traded as a percentage of total in that class</b>	<b>Proportion of orders executed as percentage of total in that class</b>	<b>Percentage of passive orders</b>	<b>Percentage of aggressive orders</b>	<b>Percentage of directed orders</b>
IS Prime Limited <sup>2</sup>	100%	100%	0%	100%	0%

<sup>2</sup> IS Prime Limited trades spot FX with its clients as a matched principal broker

## **Index Swap MiFID II RTS 28 Disclosures**

### **Introduction**

IS Prime may, if requested by a client, execute an index swap order on behalf of a client with IS Prime Hong Kong Limited.

IS Prime only acts on specific instructions received from clients to execute transactions with IS Prime Hong Kong Limited and IS Prime executes any order according to clients' specific instructions.

The following Top 5 report reflects the set-up of the IS Prime Index Swap business from December 2017. Prior to December 2017, IS Prime offered a different execution service in respect of Index Swaps, however as this business line is now no longer available to any client, this report does not take account of such historic trading activity.

IS Prime Hong Kong Limited is an affiliate of IS Prime.

## Top 5 Report

Professional Clients - Receiving and Transmitting Orders

<b>Class of Instrument</b>	Equity derivatives (ii) swaps and other equities derivatives				
<b>Notification if &lt; 1 average trade per business day in the previous year</b>	N				
<b>Top five execution venues ranked in terms of trading volumes (descending order)</b>	<b>Proportion of volume traded as a percentage of total in that class</b>	<b>Proportion of orders executed as percentage of total in that class</b>	<b>Percentage of passive orders</b>	<b>Percentage of aggressive orders</b>	<b>Percentage of directed orders</b>
IS Prime Hong Kong Limited	100%	100%	0%	100%	100%

<b>Class of Instrument</b>	Commodities derivatives and emission allowance derivatives (ii) other commodity derivatives and emission allowance derivatives				
<b>Notification if &lt; 1 average trade per business day in the previous year</b>	N				
<b>Top five execution venues ranked in terms of trading volumes (descending order)</b>	<b>Proportion of volume traded as a percentage of total in that class</b>	<b>Proportion of orders executed as percentage of total in that class</b>	<b>Percentage of passive orders</b>	<b>Percentage of aggressive orders</b>	<b>Percentage of directed orders</b>
IS Prime Hong Kong Limited	100%	100%	0%	100%	100%

<b>Class of Instrument</b>	Other instruments				
<b>Notification if &lt; 1 average trade per business day in the previous year</b>	N				
<b>Top five execution venues ranked in terms of trading volumes (descending order)</b>	<b>Proportion of volume traded as a percentage of total in that class</b>	<b>Proportion of orders executed as percentage of total in that class</b>	<b>Percentage of passive orders</b>	<b>Percentage of aggressive orders</b>	<b>Percentage of directed orders</b>
IS Prime Hong Kong Limited	100%	100%	0%	100%	100%

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## **IS Prime Limited**

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55 Baker Street  
London  
W1U 8EW  
Tel: +44 207 258 9940  
[www.isprimefx.com](http://www.isprimefx.com)