

# Citadel Europe LLP

MiFID II RTS 28 Best Execution Disclosure

Interest Rate Derivatives – Swaps, Forwards and Other Interest Rate Derivatives

April 2018

### Quality of Execution Obtained on Execution Venues<sup>1</sup>

<b>Firm</b>	Citadel Europe LLP	
<b>Disclosure Period</b>	1 January 2017 to 31 December 2017	
<b>Publication Date</b>	April 2018	
<b>Class of instrument</b>	Interest Rate Derivatives – Swaps, Forwards and Other Interest Rate Derivatives	
	<b>Summary of Analysis</b>	<b>Conclusion</b>
<b>Execution factors</b>	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>• the characteristics of the Citadel Fund</li> <li>• the characteristics of the order</li> <li>• the characteristics of the financial instrument to which the order related (e.g. venue traded or OTC); and</li> <li>• the characteristics of the broker or trading venue/systematic internaliser/market maker/liquidity provider/ third country entity performing a similar function to which the order could be directed.</li> </ul>	Given the nature of these instruments traded, likelihood of execution and cost were determined to be the most important execution factors when assessing quality of execution. No issues were noted with the relative importance given to the execution factors during the period under review.
<b>Close links, conflicts of interest and common ownership with respect to execution venues<sup>2</sup></b>	<p><b>Close links</b> The Firm has no close links to report.</p>	<b>Close links</b> Not applicable
	<p><b>Conflicts of interest</b> The Firm has no conflicts of interest to report.</p>	<b>Conflicts of interest</b> Not applicable
	<p><b>Common ownerships</b> The Firm has no common ownership to report.</p>	<b>Common ownerships</b> Not applicable
<b>Specific arrangements with execution venues<sup>2</sup> regarding payments made or received, discounts, rebates or non-monetary benefits received</b>	During the period under review only research and business gifts and entertainments were received. No payments were made to or received from execution venues except as related to the settlement of transactions. In addition no discounts or rebates were received.	The Firm followed its Compliance Manual and Business Gifts & Entertainment Policy in line with its regulatory obligations in relation to these arrangements. No issues were noted in respect of these non-monetary benefits received. In addition these arrangements did not influence the Firm's selection of execution venues, as the Firm followed its Best Execution Policy and Conflicts of Interest Policy when selecting execution venues.
<b>Factors leading to a change in the list of execution venues<sup>2</sup> listed</b>	There were no changes to the list of execution venues referred to in the Firm's Best Execution Policy. However as a result of the ongoing monitoring of the quality of execution, the allocation of orders to the various execution venues changed throughout the period under review.	The factors leading to such changes were objective factors which were considered and applied by the Firm on an objective basis.

<sup>1</sup> This report has been produced in line with the requirements of the recast Markets in Financial Instruments Directive and Regulation (together, "MiFID II") and Regulatory Technical Standard ("RTS") 28, as implemented in the UK.

<sup>2</sup> For the purposes of this report, 'execution venue' means broker, trading venue, systematic internaliser, market maker, liquidity provider and/or third country entity performing a similar function.

<b>in the order execution policy</b>		
<b>Differentiation across client categories</b>	All of the Firm's clients are professional clients.	Not applicable
<b>Use of data / tools<sup>3</sup> relating to quality of execution</b>	The Firm has used the following data and tools relating to quality of execution during the period under review: <ul style="list-style-type: none"> <li>• A regular Broker Vote to consider both the execution and operational quality of the execution venues.</li> </ul>	These objective factors were considered and applied by the Firm on an objective basis.
<b>Use of consolidated tape provider output</b>	There were no consolidated tape providers during the period under review.	Not applicable

<sup>3</sup> For this report published in 2018, due to the lack of RTS 27 data made available by execution venues, only limited external data has been used by the Firm as anticipated by ESMA in their response to Q6 (p20) of the Q&A on Best Execution (ESMA 35-43-349). For the reports published in 2019 and onwards, RTS 27 data will be incorporated into the evaluation of quality of execution.

**ALL TRADEMARKS, SERVICE MARKS AND LOGOS USED IN THIS DOCUMENT ARE TRADEMARKS OR SERVICE MARKS OR REGISTERED TRADEMARKS OR REGISTERED SERVICE MARKS OF CITADEL**

**NEITHER THIS DOCUMENT NOR ANY OF THE INFORMATION CONTAINED IN IT SHALL CONSTITUTE AN OFFER, SOLICITATION, INVITATION OR INDUCEMENT TO PURCHASE, ACQUIRE, SUBSCRIBE TO, PROVIDE OR SELL ANY PARTICULAR INVESTMENT, NOR DOES IT CONSTITUTE INVESTMENT ADVICE OR ANY OTHER RECOMMENDATION REGARDING ANY PARTICULAR INVESTMENT, NOR SHALL IT OR ANY PART OF IT FORM THE BASIS OF OR BE RELIED UPON AS A PROMISE OR REPRESENTATION IN CONNECTION WITH ANY CONTRACT OR INVESTMENT DECISION.**