

# Citadel Europe LLP

MiFID II RTS 28 Best Execution Disclosure

Commodity Derivatives and Emission Allowances Derivatives – Futures and Options Admitted to Trading on a Trading Venue - Transmitted

April 2019

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

<b>Firm</b>	Citadel Europe LLP	
<b>Disclosure Period</b>	1 January 2018 to 31 December 2018	
<b>Publication Date</b>	April 2019	
<b>Class of instrument</b>	Commodity Derivatives and Emission Allowances Derivatives – Futures and Options Admitted to Trading on a Trading Venue - Transmitted	
	<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. liquidity); 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>	The Firm considered liquidity and cost 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> During the period under review certain orders were transmitted to the affiliate firm Citadel Advisors LLC to facilitate execution. These orders related to non-EMEA instruments.</p>	<p><b>Close links</b> These close links did not influence the Firm's selection of the execution venues as the Firm followed its Best Execution Policy and Conflicts of Interest Policy when selecting execution venues.</p>
	<p><b>Conflicts of interest</b> The Firm has no conflicts of interest to report.</p>	<p><b>Conflicts of interest</b> Not applicable</p>
	<p><b>Common ownerships</b> During the period under review certain orders were transmitted to the affiliate firm Citadel Advisors LLC to facilitate execution. These orders related to non-EMEA instruments.</p>	<p><b>Common ownerships</b> These common ownerships did not influence the Firm's selection of the execution venues as the Firm followed its Best Execution Policy and Conflicts of Interest Policy when selecting execution venues.</p>
<b>Specific arrangements with execution venues<sup>1</sup> regarding payments made or received, discounts, rebates or non-monetary benefits received</b>	During the period under review only business gifts and entertainments were received. No payments were made to or received from execution venues except as related to the settlement of transactions. No discounts were received during the period under review, however exchange fee rebates were received based on negotiated liquidity provider programs.	The Firm followed its internal policies in line with its regulatory obligations in relation to these arrangements. No issues were noted in respect of these payments made or 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.

<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>Factors leading to a change in the list of execution venues<sup>1</sup> listed in the order execution policy</b>	<p>The list of execution venues referred to in the Firm's Best Execution Policy was changed during the period under review.</p> <p>The following factors led to such change:</p> <ul style="list-style-type: none"> <li>• available liquidity</li> </ul> <p>In addition, 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.</p>	<p>The factors leading to such changes were objective factors which were considered and applied by the Firm on an objective basis.</p>
<b>Differentiation across client categories</b>	<p>All of the Firm's clients are professional clients.</p>	<p>Not applicable</p>
<b>Use of data / tools relating to quality of execution</b>	<p>The Firm has used a variety of data and tools relating to quality of execution during the period under review in order to inform both its real-time and periodic assessments.</p>	<p>These objective factors were considered and applied by the Firm on an objective basis.</p>
<b>Use of consolidated tape provider output</b>	<p>There were no consolidated tape providers during the period under review.</p>	<p>Not applicable</p>
<b>Use of Direct Electronic Access (DEA)</b>	<p>The list of Top 5 execution venues for this class of instrument includes a broker who provides the Firm with direct electronic access to trading venues.</p> <p>These brokers are: SG Americas Securities, LLC and BNP Paribas Commodity Futures Limited.</p> <p>The trading venues accessed by the Firm using this broker were: ICE Endex.</p>	

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