



# Macquarie Capital (Europe) Limited

## Best Execution: RTS 28 Annual Report

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# 1. Scope and Application

## Purpose of this Report

This report has been prepared by Macquarie Capital (Europe) Limited ('MCEL') for the purposes of EU Commission Delegated Regulation (EU) 2017/576 ('RTS 28') that supplements EU Directive 2014/65/EU ('MiFID II') which sets out regulatory technical standards for the annual publication by MiFID II investment firms of information on the identity of execution venues and on the quality of execution.

This report has been prepared to enable clients to evaluate the quality of MCEL's execution practices and to identify the top five execution venues in terms of trading volumes where investment firms executed client orders in the preceding year.

## Entities in Scope

This document applies to MCEL, being an investment firm authorised and regulated by the UK Financial Conduct Authority (firm reference number 193905). This document should be read in conjunction with the "Macquarie Order Execution Policy".

The Macquarie EMEA Order Execution Policy may be viewed at: [1Macquarie EMEA Order Execution Policy](#)

## Activities in Scope

The document sets out the Top 5 brokers by instrument type utilised for the execution of client orders in financial instruments where MCEL has agreed to execute, and where it has categorised a client as a professional client (as that term is defined in MiFID II) and has an obligation of best execution to the client pursuant to article 27 of MiFID II.

MCEL does not execute orders for retail clients.

The table below identifies the class of financial instruments in respect of which MCEL executed client orders for professional clients during the period to which this report relates.

#	Class of Financial Instruments	Customer Orders executed by MCEL?	MCEL in scope for 'Top 5' Execution Venue Report?
1	Equities – shares and depositary receipts	Yes	Yes
22	Exchange traded products (Exchange traded funds, exchange traded notes, exchange traded commodities)	Yes	Yes
3	Unclassified -	Yes	Yes

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<sup>1</sup> <https://static.macquarie.com/dafiles/Internet/mgl/global/shared/about/disclosures/docs/EMEA-Order-Execution-Policy.pdf?v=2>

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	Instruments for which a classification cannot be found		
34	Structured Finance Products	Yes	Yes
54	Other instruments	Yes	Yes

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## 2. Best Execution Explanatory Notes

- (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**

MCEL will take into account a range of different factors (the “Execution Factors”) in deciding how to execute the order.

These include:

- price;
- the cost of execution;
- timing and speed of execution;
- creditworthiness and financial stability;
- the execution venue;
- the likelihood of executing and settling the order (including the fill rate);
- the size of the order;
- the characteristics of the financial instrument including whether it is executed on a regulated market, multi-lateral trading facility (MTF), organised trading facilities (OTF) or over-the-counter (OTC);
- the market impact of the order;
- the characteristics of the execution venue to be used in respect of that financial instrument
- in certain circumstances willingness to commit capital; and
- any other factors that may be relevant to the execution of the order.

In determining the relative importance of the Execution Factors, MCEL takes into account its client’s status as a Professional Client, together with the nature of the client’s orders (including where the order involves a securities financing transaction), the characteristics of the financial instruments to which the order relates and the characteristics of the available execution venues or brokers which can be used or to which client orders can be directed.

In the absence of express instructions from the client, MCEL will exercise its discretion in determining the Execution Factors (and the relative importance thereof) that MCEL needs to take into account for the purpose of providing the client with best execution, based on MCEL’s experience and in light of the available market information at the relevant time.

Generally, the highest priority is placed on price. From time to time, MCEL may also prioritise other Execution Factors such as the impact on market prices of displaying and executing the order and the availability of price improvement, or the speed and likelihood of execution (e.g. fill rate) and settlement. Therefore, in consideration of various circumstances that may arise, transactions may not always be executed at the best available price.

The Macquarie EMEA Order Execution Policy may be viewed at: <sup>2</sup> [Macquarie Best Execution Policy](#)

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<sup>2</sup> <https://static.macquarie.com/dafiles/Internet/mgl/global/shared/about/disclosures/docs/EMEA-Order-Execution-Policy.pdf?v=2>

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

Close Links and Common Ownership:

The Macquarie Group Limited has investments in the following entities:

- JB Drax Honoré
- Berkley Futures Limited
- Intercontinental Exchange
- Euroclear

Conflicts of Interest:

Please see the Macquarie Group Conflicts of Interest Summary Policy for further details.

Link to Macquarie Group Conflicts of Interest Policy can be viewed at: <sup>3</sup>[Macquarie 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**

No such arrangements were in place for MCEL for the reporting period in question.

**(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**

No such change has occurred.

**(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**

MCEL has no retail clients and our execution policy does not treat clients differently in terms of order execution arrangements.

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

MCEL had no retail clients for the reporting period in question

**(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 (RTS 27)**

One of the tools used as part of MCEL's Best Execution monitoring and supervisory framework, is to utilise the services of an external provider for Transaction Cost Analysis.

**(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**

MCEL did not use output from a consolidated tape provider for the reporting period in question

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<sup>3</sup> <https://static.macquarie.com/dafiles/Internet/mgl/global/shared/about/disclosures/docs/EMEA-Conflicts-of-Interest-summary-policy.pdf?v=2>

### 3. Top 5 Venues by Class of Financial Instrument

#### 3.1 Equities – shares and depositary receipts

Class of Instrument	Shares and depositary receipts				
Notification if <1 average trade per business day in the previous year	No				
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
London Stock Exchange   XLON	54.31	35.03	n/a	n/a	n/a
Macquarie Capital (Europe) Limited	32.71	20.15	n/a	n/a	n/a
UBS Dark Pool   XUBS	3.52	5.49	n/a	n/a	n/a
CHI-X Europe   CHIX	1.17	5.59	n/a	n/a	n/a
Turquoise MTF   TRQX	1.13	5.44	n/a	n/a	n/a

#### 3.2 Exchange traded products (Exchange traded funds, exchange traded notes, exchange traded commodities)

Class of Instrument	Exchange Traded Products				
Notification if <1 average trade per business day in the previous year	No				
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Macquarie Capital (Europe) Limited	67.77	73.06	n/a	n/a	n/a
London Stock Exchange   XLON	29.15	20.62	n/a	n/a	n/a
Amsterdam Stock Exchange   XAMS	1.375	19.37	n/a	n/a	n/a
Paris Stock Exchange   XPAR	1.36	2.14	n/a	n/a	n/a
Borsa Italiana ETFplus Market   ETFP	1.16	0.5	n/a	n/a	n/a

### 3.3 Structured Finance Products

Class of Instrument	Structured Finance Products				
Notification if <1 average trade per business day in the previous year	Yes				
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Macquarie Capital (Europe) Limited	68.06	70.45	n/a	n/a	n/a
London Stock Exchange   XLON	31.94	29.15	n/a	n/a	n/a
Borsa Italiana   XMIL	0.0001	0.4	n/a	n/a	n/a

### 3.4 Other Instruments

Class of Instrument	Shares and depositary receipts				
Notification if <1 average trade per business day in the previous year	No				
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Macquarie Capital (Europe) Limited	79.78	81.99	n/a	n/a	n/a
London Stock Exchange   XLON	14.95	9	n/a	n/a	n/a
Off Exchange Transactions   XOFF	5.02	7.6	n/a	n/a	n/a
SCOACH Switzerland   XQMH	0.11	0.22	n/a	n/a	n/a
Amsterdam Stock Exchange   XAMS	0.07	0.15	n/a	n/a	n/a

### 3.5 Structured Derivatives

Class of Instrument	Shares and depositary receipts				
Notification if <1 average trade per business day in the previous year	Yes				
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Macquarie Capital (Europe) Limited	50.75	55.56	n/a	n/a	n/a
Paris Stock Exchange   XPAR	40.66	33.33	n/a	n/a	n/a
Spanish Stock Exchange Interconnection System   XMCE	8.59	11.11	n/a	n/a	n/a



## 4. Top 5 Brokers by Class of Financial Instrument

### 4.1 Equities – shares and depositary receipts

Class of Instrument	Shares and depositary receipts				
Notification if <1 average trade per business day in the previous year	No				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
UBS Limited REYPIEJN7XZHSUI0N355	47.85	69.84	9.78	5.97	n/a
Instinet Europe Limited 213800MXAKR2LA1VBM44	26.39	7.99	n/a	n/a	n/a
Credit Suisse Securities (Europe) Limited DL6FFRRLF74S01HE2M14	9.92	4.26	0.1	1.07	n/a
Citigroup Global Markets Limited XKZZ2JZF41MRHTR1V493	5.26	3.89	8.66	0.25	n/a
J.P. Morgan Securities PLC K6Q0W1PS1L1O4IQL9C32	3.07	1.63	n/a	n/a	n/a

## 4.2 Exchange traded products (Exchange traded funds, exchange traded notes, exchange traded commodities)

Class of Instrument	Exchange Traded Products				
Notification if <1 average trade per business day in the previous year	No				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Flow Traders N.V. 549300Z7LIC6NFIJL947	27.35	11.77	n/a	n/a	n/a
Jane Street Financial Limited 549300ZHEHX8M31RP142	19.57	12.86	n/a	n/a	n/a
Susquehanna International Securities Limited 635400IAV22ZOU1NFS89	18.36	9.62	n/a	n/a	n/a
Optiver Holding B.V. 724500NFA75QPH1U7D84	10.09	15.55	n/a	n/a	n/a
Commerzbank AG (Frankfurt) 529900P62LPSVNYBY987	11.24	18.04	n/a	n/a	n/a

## 4.3 Unclassified Instruments

Class of Instrument	Unclassified Instruments				
Notification if <1 average trade per business day in the previous year	No				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Jane Street Financial Limited 549300ZHEHX8M31RP142	41.59	7.19	n/a	n/a	Not applicable
Flow Traders N.V. 549300Z7LIC6NFIJL947	18.83	3.44	n/a	n/a	Not applicable
RenCap Securities, Inc. 549300270JFOJECE0G62	10.28	23.65	n/a	n/a	Not applicable
Goldman Sachs International W22LROWP2IHZNBB6K528	10.06	1.05	n/a	n/a	Not applicable
IMC Trading B.V. 213800A1PNS41NG89H87	5.66	2.99	n/a	n/a	Not applicable

#### 4.4 Structured Finance Instruments

Class of Instrument	Structured Finance Instruments				
Notification if <1 average trade per business day in the previous year	Yes				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Susquehanna International Securities Limited 635400IAV22ZOU1NFS89	21.33	3.7	n/a	n/a	n/a
UBS Limited REYPIEJN7XZHSUI0N355	18.34	42.22	3.51	3.51	0
Jane Street Financial Limited 549300ZHEHX8M31RP142	17.6	11.85	n/a	n/a	n/a
Bluefin Europe LLP 549300Q2Z3B0BNFSSC21	17.52	2.22	n/a	n/a	n/a
IMC Trading B.V. 213800A1PNS41NG89H87	16.08	24.44	n/a	n/a	n/a

#### 4.5 Other Instruments

Class of Instrument	Other Instruments				
Notification if <1 average trade per business day in the previous year	No				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Flow Traders N.V. 549300Z7LIC6NFIJL947	35.2	3.19	n/a	n/a	n/a
UBS Limited REYPIEJN7XZHSUI0N355	19.11	66.54	16.28	0.29	n/a
IMC Trading B.V. 213800A1PNS41NG89H87	18.03	0.77	n/a	n/a	n/a
Instinet Europe Limited 213800MXAKR2LA1VBM44	9.03	19.54	n/a	n/a	n/a
Jane Street Financial Limited 549300ZHEHX8M31RP142	8.46	1.16	n/a	n/a	n/a

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## 5. Contact Details and Disclaimer

### Contact Details

For further information, please contact: [ComplianceEMEA@macquarie.com](mailto:ComplianceEMEA@macquarie.com)

This report has been prepared by Macquarie Capital (Europe) Limited (“MCEL”) for the period 1 January 2017 to 31 December 2017 (the “Relevant Period”) for the purposes of meeting MCEL’s regulatory obligations under Commission Delegated Regulation (EU) 2017/576. This report has been prepared on the basis of the regulatory obligations that applied to MCEL during the Relevant Period and information that was available to MCEL as at the date of this report. Accordingly, this report may lack some of the details that will be provided in subsequent reports. MCEL does not guarantee the correctness or completeness of all the information contained in this report.