

CISCO
MIFID II Quality of execution report

Calendar year disclosure period: 2018
Report date: April 2018

Introduction

According to MIFID II, CISCO is required to publish for each class of financial instrument the top five execution venues in terms of trading volumes for all executed client orders for retail and professional clients. It is also required to publish for each class of financial instrument, a summary of the analysis and conclusions drawn from the detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year.

CISCO follows an order execution policy and this is published in its MiFID Pre-Contractual Information Package. (https://www.bankofcyprus.com.cy/globalassets/wealth/mifid-ii/mifid-pre-contractual-information-package_en_final-doc.pdf).

This report provides data on CISCO's MiFID activities, in respect of receipt and transmission of orders and execution of orders on behalf of clients.

Best Execution Factors

As also indicated in the Bank of Cyprus Group Best Execution Policy, subject to any specific instructions from the client, when executing orders on clients' behalf and/or when receiving and transmitting clients' orders for execution to third parties CISCO takes into account the following Execution Factors, in order to obtain the best possible result for its clients: price, costs, speed, likelihood of execution and settlement, size, nature, and any other consideration relevant to the execution of the order.

The relative importance of the Execution Factors varies between different financial instruments. Despite that, in most circumstances, price and costs will be the most important Execution Factors, in some circumstances in particular with reference to the Execution Criteria, CISCO may appropriately determine that other Execution Factors have greater importance in achieving the best possible result for the client.

CISCO determines the relative importance of the Execution Factors by using its commercial judgement and experience in the light of the information available on the market and taking into account the following Execution Criteria:

- the characteristics of the client including the categorisation of the client as retail or professional;
- the characteristics of the client's order;
- the characteristics of the financial instruments that are the subject of that order; and
- the characteristics of the Execution Venues to which that order can be directed.

Especially for retail clients, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the client which are directly related to the execution of the order, including Execution Venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

Demonstrating best execution does not necessarily involve a transaction-by-transaction analysis, but rather it involves an assessment of a record of transactions over a period indicating that overall the best result is achieved by executing orders on the client's behalf on the Execution Venues and in the manner described in this Order Execution Policy.

Client's Specific Instructions

Whenever a client gives a specific instruction as to the execution of an order or a part of it, CISCO shall execute the order following the specific instruction. The specific instruction may prevent CISCO from taking the measures that it has designed and implemented in its Order Execution Policy to obtain the best possible result for the execution of that order in respect of the aspects covered by this instruction. Where the client's instruction relates to only a part of the order, CISCO will continue to apply this Order Execution Policy to those aspects of the order not covered by the specific instruction.

When we apply best execution to client investment transactions

We will apply our best execution standards to all client transactions. This is consistent with the general principle that client classification (whether the client is classified as a retail client, professional client or eligible counterparty), whilst an important factor in the overall context of a client relationship, will not be usually considered in terms of the quality of execution that we maintain. For professional clients, CISCO may agree with the client to apply differing standards in accordance with applicable best execution regulations.

Conflict of Interest

Subject to any specific instructions from the client CISCO may transmit an order it receives from the client to another entity of the Bank of Cyprus Group or to an external entity, such as a third party broker, for execution. In cases where the selection of a third party broker would enable CISCO to obtain a better result for the client, then the said broker will be preferred over the group entity, so long as this is the case.

Trading Venues

Cyprus Stock Exchange and Athens Stock Exchange

CISCO is a direct member of the Cyprus Stock Exchange and a remote member of the Athens Stock Exchange ('ATHEX'). Equity orders received by CISCO for the Cyprus Stock Exchange and ATHEX are executed via the common trading platform.

Athens Stock Exchange - XNET

Equity and Exchange Traded Funds orders for international markets may be executed through ATHEX (XNET network). XNET is a network of services developed by the ATHEX Group for trading in the developed markets of America (USA & Canada) and Europe (United Kingdom - LSE & IOB, Austria, Belgium, France, Germany, Denmark, Switzerland, Ireland, Italy, Spain, Norway, Netherlands, Portugal, Sweden, Finland).

SAXO Bank

CISCO has a White Label Agreement with Saxo Bank, where it offers its clients the Saxo Bank trading platform under the name "CISCO Global eTrading". The orders placed through BOC eTrader are executed by Saxo Bank; therefore BOC relies on Saxo Bank's Order Execution Policy. The financial instruments and products offered through CISCO Global eTrading are Equities, Exchange Traded Funds (ETFs), Bonds, Contracts For Difference (CFDs) Futures and Exchange Traded Options (ETOs). Saxo Bank's Order Execution Policy is in compliance with MiFID II and the Danish legislation implementing MiFID II and it is the process by which Saxo Bank seeks to obtain the best possible result when executing client orders.

Saxo Bank's policy is reviewed annually or whenever a major change occurs and additional information can be found at Saxo Bank's website:

<https://www.home.saxo/-/media/documents/business-terms-and-policies/best-execution-policy-en.pdf?la=en>

CISCO does not receive any remuneration, discount or non-monetary benefit for routing your orders to a particular trading venue or execution venue which would infringe our obligations with regards to conflicts of interest or inducements.