

RIA Capital Markets Limited

Qualitative Report for Equities

This report was produced by RIA Capital Markets Limited (“RIA”) and provides a qualitative order execution assessment Equities, in the format described in Article 3(3) of Commission Delegated Regulation EU/2017/576, for the period 1 January 2019 to 31 December 2019.

In line with RTS 28 RIA is required to describe how different order types determine the methods of execution employed and decide the venues that RIA selects to source liquidity for its professional clients. With the exception of preference shares (which RIA executes in line with fixed income instruments), RIA executes orders in equities in an agency capacity on behalf of Professional Clients. RIA trades equities on behalf of clients on a number of global exchanges either under the rules of the Exchange with Market Makers or through members of the relevant exchanges. These are well regulated exchanges which trade either on an electronic order-driven market or on a market making quoted exchange. RIA will determine whether to place an order with a broker or to execute and order directly on an Execution Venue according to the nature of the order and the market in which the relevant order is to be executed. In determining whether to place an order with A Broker or to execute directly, RIA will have regard to the relative importance of the execution factors. In certain markets, it will only be possible to execute client orders by placing them with a broker in the relevant market. RIA may also transact directly with Systematic Internalisers. The ‘top five’ execution venues for equities are detailed in the tables published in this RTS 28 publication.

Eight Statements

(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;

To achieve the best possible result in 2019, RIA took into account a number of execution factors, including: Price, Size, Speed, Cost, Settlement, Likelihood of execution, Likelihood of settlement, Nature of the order. RIA determined the relative importance of each of these factors and the manner in which each order was executed, based on the circumstances at the time of execution, such as the type of financial instrument and nature of the order and the execution venues to which the order could have been directed. During the period RIA normally regarded price as the most important factor in delivering the best possible result for clients in 2019. However, in certain circumstances where price liquidity was adversely affected, RIA gave likelihood of execution an elevated weighting. Prioritisation will be subject to any specific instructions RIA receives from the client.

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

RIA has neither close links nor any common ownership with respect to any execution venue used for this instrument type.

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

RIA does not have any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

(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;

In 2019, RIA executed orders in equities on an agency only basis for Professional clients either directly with UK Market makers under the rules of the London Stock Exchange or where appropriate we transmit orders to other brokers for execution mainly for overseas equities. There were no significant changes to our list of equity execution venues over the course of the year.

(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;

RIA's clients are categorised as either professional clients or eligible counterparties. Best execution does not apply to counterparties that RIA has classified as eligible counterparty.

(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;

RIA does not classify any of its clients as 'retail clients'. Therefore, any analysis around best execution criteria weighting for orders from these clients is not applicable.

(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 Delegated Regulation (EU) 2017/575 [RTS 27];

We use market data from Bloomberg to assess and analyse the quality of execution. Further to our analysis of execution quality we have an obligation to ensure our current venue list is appropriate in helping us achieve consistent and positive outcomes for our client execution. We have responsibility to monitor landscape to determine if there are any new or alternative venues.

(h) Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider

At the time of writing (April 2020) there is no official Consolidated Tape Provider (CTP) for equities.