

## **Credit Suisse Equity Derivatives and Fixed Income Products Asia Pacific Client Order Best Execution Disclosure Statement (“Statement”)**

### **Introduction**

This document sets out the approach of Credit Suisse the Equity Derivatives and Fixed Income Products (“EqD and FIP”) Asia Pacific business, (hereafter, “**we**” or “**CS**”) on Best Execution when handling client orders in relation to financial instruments, including listed and OTC products. While a number of entities and business units within the Credit Suisse group have published disclosure statements related to the execution of Client Orders, including Best Execution, this Statement is only applicable to the handling of your orders in relation to EqD and FIP Asia Pacific’s businesses managed by Credit Suisse employees located in the APAC region. Within this document, the terms Credit Suisse, we, or us refer to the EqD and FIP Asia Pacific business within the Investment Bank division of Credit Suisse. This Statement is not applicable to Clients who place their orders with Credit Suisse Private Bank and with the Wealth Management Markets Solutions desk, or for orders executed by Credit Suisse employees located outside of the APAC region.

EqD and FIP Asia Pacific is committed to meeting the best execution requirements and fulfilling the best execution obligations under the relevant Credit Suisse policies and guidelines and the applicable laws and regulations of the relevant jurisdictions. We do not owe you any fiduciary duties or responsibilities as a result of any matters or disclosures set out in this Statement.

This Statement aims to disclose to you (i) the circumstances where best execution will be provided by us; (ii) our best execution principles and guidelines; and (iii) how we take into account best execution factors when we execute orders for different types of financial instruments and in certain circumstances.

### **Best Execution Applicability**

We provide you with this Statement in your capacity as a Client. This Statement is not directed at or intended for retail clients or any customer of our Clients and should not be considered for such persons. In Singapore, CS is not subjected to best execution requirements when dealing with Clients that are institutional investors. Other circumstances where best execution is not owed include facilitation trades or negotiated agency crosses. However where the best execution obligation does not apply, CS will still be required to treat you fairly, honestly and professionally. Where the best execution obligation applies, when executing orders or quotes we will take all sufficient steps to obtain the best possible result for our Clients. In doing so, we will take into account execution factors including but not limited to the following: price;

costs; speed; likelihood of execution and settlement; size; and nature of the transaction or any other considerations relevant to the execution.

#### Agency or Back-to-Back Principal Trading

The obligation to provide best execution will always arise in circumstances where we enter into a trade for you and on your behalf (i.e. acting on an agency basis) or where we enter into a trade in the market as principal but on the basis that we have an equivalent transaction with you (i.e. acting as a Back-to-Back principal).

#### Principal Trading

The best execution obligation is also applicable when we act in a principal capacity AND you place a legitimate reliance on us to protect your interest in relation to the execution of a transaction. When assessing whether the Client places legitimate reliance on us to provide best execution, we consider the following four key factors:

- Does the Client initiate the transaction?
- Is it the common market practice or convention that the Client is able to “shop around” for such type of transaction or product?
- Within the relevant market where the pricing is sourced or the transaction is executed, is there a reasonable level of price transparency?
- Is there any agreement with the Client or information provided by us to the Client on the execution terms and conditions?

Subject to any separate agreement with or specific arrangement for our Client where our Client is deemed to have placed legitimate reliance on us to provide best execution, where our consideration of the above factors lead us to conclude that the Client is not legitimately relying on us, then best execution will usually not apply.

#### **Best Execution Factors**

Where best execution applies to your transaction, we will consider a range of factors when determining the best outcome for you. Please note that we may prioritize certain factors over others in accordance with your specific instructions and/or the then prevailing market conditions, aiming at fulfilling our best execution obligations to you. Some of the key best execution factors include the following:

- Price – This is the price at which a financial instrument is executed;

- Costs – The overall costs includes external costs such as clearing, trading, tax and CS's own remuneration through commission or spread. Please note that in certain circumstances, we will include implicit costs such as the possible impact on CS;
- Speed - This refers to the speed at which your transaction can be and needs to be completed;
- Likelihood of execution – This refers to the likelihood that we will be able to complete your transaction in your desired outcome;
- Likelihood of settlement;
- Size - The size of the transaction may be measured by the notional amount. In certain circumstances it can also be measured by market impact; and
- Nature of the transaction – The characteristics of the Client, the transaction, the financial instruments embedded in the transaction and the execution venues may create transaction specific factors.

Generally, we consider the most important best execution factor for our Clients to be the price. However, there may be circumstances where the more important best execution factor is not price and therefore price is no longer the dominant factor. The above best execution factors indicate the importance of exercising appropriate judgment in the best interests of the Client given the differing needs and requirements of each Client and each transaction of the same Client. During the trading process when applying consideration to each best execution factor, we will use our experience and expertise to achieve the best balance across the full range of factors where a degree of conflict exists between one factor and another. Overall, this may mean that CS does not always achieve the best price for every Client transaction, but the best result that can be reasonably expected given the information available during the execution process.

However, we follow your specific instructions when we undertake a transaction. You therefore acknowledge that your specific instructions may prevent CS from taking the steps that it has designed and implemented as disclosed to you in this Statement to obtain the best possible result for the execution of your order from an objective perspective.

Please note that market conditions, regulatory limitations, risk thresholds and our infrastructure and processes may also affect the execution outcomes.

### Execution Venues

CS typically use one or more of the following venues (“**Execution Venues**”) when executing a Client’s transaction:

- regulated markets;



- CS and its affiliates where we internalize the orders (the “**Internal Venue**”);
- Market makers and third party liquidity providers

CS will endeavor to choose the Execution Venue in order to achieve the best possible result for you.

Subject to your specific instructions, we may adopt the usual practice as follows:

- We may choose to execute the order or part of the order from our own principal book where we have concluded that the Internal Venue provides you with best execution. In such a case, we will treat our principal book as an Execution Venue.
- In respect of certain products, we may choose a third party broker or an affiliated broker when executing your orders. Where best execution is applicable to your products, we will ensure that the chosen brokers provide the appropriate level of experience and expertise when executing in the market, thus, we may be satisfied that best execution is being met on a consistent basis and any conflicts are managed appropriately.

### **Fees, Commissions and Spread**

We are required to take sufficient steps to get the best possible price for a Client where the best execution obligation arises. In quote-driven markets, CS imposes a mark-up or spread between where it may buy an instrument and where it may sell the same. CS will ensure that mark-ups or spreads charged on transactions where best execution is owed are within a range that we consider commercially reasonable for the transaction type, tenor, size and other relevant features.

Commissions, where charged in agency executions paid to Credit Suisse are not considered a factor in assessing the outcome achieved for your Client Order. Credit Suisse will not structure or charge commissions in such a way as to inappropriately promote the execution of Client Orders on a particular venue.

### **Governance**

The EqD and FIP Asia Pacific Best Execution Committee (the “**Committee**”) is the governance and supervisory body of this Statement. Committee governance meetings shall be convened every quarter.

The Committee has implemented a governance framework and control process through which it supervises the effectiveness of our order execution arrangement. The Committee will assess the best execution outcome for transactions that falls in-scope for CS to provide best execution.

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