

Investec Bank plc – Foreign Exchange Order Handling Disclosure

The purpose of this FX Order Handling Disclosure is to clarify the nature of the trading relationship between Investec Bank plc (“IBP”) and its clients or other market counterparties, and to disclose relevant practices when IBP is acting as a dealer on a principal basis, in the wholesale FX markets.

This FX Order Handling Disclosure is not intended to conflict with or override, any relevant law, regulatory rule or other applicable requirement.

Throughout this document there are references to ‘mark-up’, please note that any reference to mark-up includes and takes into consideration, amongst other factors, the following; the cost of managing the associated risk of any given transaction, trade processing, settlement costs, counterparty credit risk, capital usage, liquidity, the size of a transaction and a fair and appropriate sales and trading margin.

IBP’s Role in Relation to Its Clients

IBP acts as principal for FX transactions, in an arm’s-length role in relation to its clients, and does not act as agent, fiduciary or in any advisory capacity in respect of any FX transaction, except as expressly agreed in writing beforehand. Each client should independently evaluate for their benefit the appropriateness of an FX transaction. This evaluation should include, among other considerations, their circumstances, objectives, and the FX transaction’s terms and conditions.

At any point in time IBP may receive requests for quotations and multiple orders for the same, or related, currency pairs or instruments. In addition, IBP may seek to manage its own risk through transactions in the same, or related, currency pairs or instruments.

In its role as principal IBP will seek to satisfy the requests of all of its clients and its independent risk management objectives, but retains discretion with respect to how to satisfy client requests, including with respect to order execution, priority and pricing.

IBP, acting as principal, may trade prior to or alongside a client’s transaction, execute transactions for itself, facilitate executions with other clients, manage its risk or source liquidity. These activities can have an impact on the prices offered to a client on a transaction and the availability of liquidity at levels necessary to execute client orders.

Orders and Requests for Trades

A client may submit its trade request in the form of an order or an instruction. IBP is not under any obligation to accept and act upon any client trade request in any form (including voice and electronic), subject to any applicable terms and conditions. Accepting an order does not oblige IBP to enter into an FX transaction with a client, IBP may choose not to execute an accepted order at its unilateral discretion, except as may be required by agreed Terms of Business or applicable law.

Any client order accepted by IBP can only be cancelled with IBP’s agreement.

Execution of orders

Where IBP is willing to undertake working an order from a client, IBP is indicating a willingness to attempt to complete the requested FX transaction subject to prevailing market conditions, IBP’s over all order book and risk management needs and other relevant factors. In general,





orders will be managed according to the following guidelines, any order if accepted, will be accepted on this basis.

Specific execution requirements should be agreed with the relevant IBP contact in writing or on another recorded medium prior to the placing and execution of the resultant order. Where no specific execution instruction has been agreed, and within the realms of its obligation to execute client orders fairly, IBP will decide, in its discretion, whether to work an order, which orders to execute, when to execute them and how to execute them. There can be no assurance that IBP will be able to fill an order at the exact level requested, unless otherwise pre-agreed by both parties in writing, or on another recorded medium. However, IBP will use its professional judgment to execute orders with the aim of achieving the best possible client outcome.

Where an IBP dealer receives a specific client instruction to execute an order at a specified target price, IBP will try, on a best endeavour basis, to deliver on that instruction. IBP may not be able to fill the order, even where transactions have been executed at, or through, the limit price. A fair and reasonable mark-up will be applied to any resting order in accordance with IBP's internal pricing policy.

Trade requests may be aggregated, executed proportionately, rounded, time prioritised or prioritised and filled in line with prevailing liquidity and/or other relevant circumstances as applicable. For resting orders, IBP reserves the right to retain all or part of any price improvement in the market. For trade requests executed at "market," any upside or downside fluctuations in the price at the time of execution may be passed on to the client.

All orders received and trades executed are timestamped in accordance with internal policy and regulatory requirements, voice orders will be timestamped once the order is entered.

Pricing

Any price provided by IBP will be inclusive of bid-ask spread and a mark-up determined by IBP to be appropriate for that particular client and transaction. The inclusive price will also allow IBP to earn an appropriate return for the services provided. In determining pricing, different clients may receive different levels for the same or similar transactions as mark-up may vary for different counterparties.

Market volatility may result in significant price movements from the time an order is received to the time of order execution. IBP will ordinarily attempt to reflect such price movements, whether positive or negative, in the price provided to clients.

As required by regulation, IBP will disclose, in the formal trade confirmation, the costs and charges associated with any given trade (Note: this does not apply to FX spot and certain exempt FX Forward transactions). In line with MiFID requirements, where cost and charges are disclosed on the formal trade confirmation, they represent the total mark-up. Additionally, indicative pre-trade costs and charges are available on our [website](#).

Pre-hedging

When acting in a principal capacity, pre-hedging is the management of the risk associated with the anticipated execution of one or more client orders, designed to benefit the client in connection with such orders and any resulting transactions. Typically, pre-hedging will not be required, however it is possible that in some scenarios IBP may deem it necessary. IBP may pre-hedge for such purposes to ensure that a client's order is executed in the most orderly fashion possible and in a manner that is not meant to disadvantage the client or disrupt the market, whilst mitigating the risk that IBP may assume as a result of entering into the transaction.

Under such circumstances, IBP may execute transactions in the market for its own hedging purposes at levels or times preceding, coinciding or following those indicated in the client order.

Last Look

Investec Bank plc (registered no. 489604). Registered address: 30 Gresham Street, London EC2V 7QP. Investec Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is a member of the London Stock Exchange.





IBP does not practise the use of Last Look, however users receiving any electronic trading price, including through a third party venue, could be impacted by its use from IBP's liquidity providers. Accordingly, IBP will therefore ensure that a price shown electronically remains executable before completing the transaction. This check is immediate, automated and does not seek to increase revenue, only ensure the executable hedge transaction remains executable. With regards to voice orders, once an executable price is provided to a client it will remain executable so long as the quote is accepted in a reasonable timeframe and has not been updated or withdrawn.

Client Information

IBP may use information regarding the terms of individual transactions to tailor the provision of products and services to its clients.

IBP may use information regarding executed FX transactions and unexecuted trade requests (other than market orders) and other available information regarding market conditions to determine IBP's overall market views and pricing. IBP will use such information, on an anonymised and aggregated basis, internally and may communicate it to clients that may find such information useful in managing FX risks and entering into transactions.

Information provided to a client by IBP, unless already publicly available, will be treated as confidential and should not be disclosed to any third party.

Conflicts of interest

IBP takes all reasonable steps to avoid conflicts of interest. Where conflicts arise between orders from different clients, or between a client order and a position that IBP holds as principal, these will be managed according to our regulatory responsibilities and in line with the IBP Conflicts of Interest policy.

Important Information

Nothing in this FX Order Handling Disclosure is to be construed as an offer for products or services, or as an offer or solicitation for the purchase or sale of any financial product, nor should it be construed as financial, legal, regulatory, tax, accounting or other advice to enter into any transaction.

For further details on any of the information contained within this document, please get in touch with your usual Investec contact.



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