

14.03.2019

# HIROSE FINANCIAL UK LTD.

## RTS 28 Disclosure

Annual qualitative disclosure on the quality of execution obtained

Firm name: Hirose Financial UK Ltd.

Disclosure Period: 01/01/2018 to 31/12/2018

This disclosure is being made pursuant to Article 3(3) of RTS 28 and/or Article 65(6) of the MiFID II Delegated Organisational Regulation, which require firms to disclose, for each class of financial instruments traded for clients during the period, a summary of the analysis and conclusions drawn from the execution quality monitoring that the Firm has undertaken.

This disclosure covers the following classes of financial instruments that were traded during the period.

CFD on a Forex Instrument

CFD on a Spot Metal

The information below covers Hirose Financial UK Ltd. ("Hirose UK")'s analysis for each of the relevant class of financial instruments:

### **RTS 28 / Art. 65(6) requirements:**

*(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;*

In placing trades Hirose UK are obliged to consider a range of factors. These are:

**Price:** Pricing is fully automated. It should be noted that there is no external market for the products that we offer to our clients and therefore the prices that we offer may not be exactly the same as those offered by other providers for each underlying asset. However, we seek to offer the very best possible prices to our clients at all times.

14.03.2019

**Cost:** We aim to be transparent about costs though we do not give any promise or guarantee that our charges to you will be lower than those of any competitors. Our costs and charges (to include all expenses incurred by you which are directly related to the execution of the order) are:

The costs that we will charge you consist of:

- Our spread charge
- Overnight rollover or expiration rollover charges (which can be positive or negative)
- Interest in respect of any outstanding debt

There are no external costs including commissions, fees, taxes, exchange fees, clearing and settlement costs or any other costs passed on to you by intermediaries in relation to the execution of your orders.

Full details of our charges can be found on our website.

**Speed of Execution:** Order execution is fully automated on the platforms offered by Hirose UK. Speed of execution can be impacted by:

- Technical considerations on the platform(s) offered by Hirose UK (latency caused by data transfer rates or/and system performance)
- The suitability of your equipment and the quality of your internet connection
- Rapid market fluctuations

From time to time, there may be circumstances that affect the trading platform's ability to provide a price feed on its platform or the prices generated. Your trading account is subject to potential price slippage in the instrument you are trading, the likelihood of which is affected by volatility in the underlying market, or your internet connection speed or distance from our trading servers.

**Likelihood of Execution and Settlement:** Order execution is fully automated on the trading platform(s) offered by Hirose UK.

- Orders are executed in order of submission (first come, first served) regardless of the order type or product.
- All orders types are available during trading hours.

14.03.2019

- All orders must conform to our Terms and Conditions in respect of margin requirements and order limits in order for execution to take place. Orders that do not meet this requirement will be rejected by the trading platform.
- The submission and acceptance of an order is not a guarantee of its execution.
- Please note that we are not under any obligation to accept an order or enter into a transaction with you. However, we will normally do so if you have sufficient funds in your account with us and are not otherwise in breach of your agreement with us.
- Other relevant considerations to the execution of the order

When executing an order on your behalf, we will take into account the following criteria for determining the relevant importance of the above execution factors:

- Order characteristics of the client order (Order size, type of an order)
- Instrument characteristics (Liquidity in the underlying market)

**Size of the Order:** Order size is restricted by the amount of margin that a client has in place and through order limits: A maximum number of lots is allowed for each transaction or order for each instrument. Current order limits are displayed in the website.

**The nature or other relevant considerations of the order:** This is a broad category that covers any other factor not listed in the regulations that firms may wish to prioritise in order to achieve the best result for its clients. Examples of this may be the need to reduce the market impact of the trade. Where the client has attached instructions to the order these should also be taken into consideration.

Not all of these criteria are relevant in each case or relevant to our business model. For example, Hirose UK is the sole execution venue for trade executed by it for its clients.

#### *Summary of Analysis*

The on-going monitoring of execution quality is undertaken by our operations team with independent scrutiny provided through our risk management framework. Given the nature of services provided and instruments traded the current governance and oversight framework is effective in delivering the quality of execution.

#### *Summary of Conclusions*

14.03.2019

The primary consideration of Hirose UK, recognising that there are no transaction costs in implementing trades or differentiation in the prices quoted of instruments traded is the likelihood, effectiveness and speed of execution.

Hirose UK monitors that trades have been placed within portfolios only to ensure that these have been effectively traded by the platforms.

The Firm is comfortable that its execution policy was adhered to over the period, and that following this policy has delivered best execution for its clients over the period. This analysis will feed in to the Firm's annual review of its execution policy at which time further enhancements will be considered.

In regards to the Annual Quantitative Top 5 Brokers and Execution Venues Disclosure please refer to the following table:

#### **Execution Venues – RTS 28**

In accordance with MiFID II best execution requirements, Hirose UK are required to publish information on its top five execution venues. For all classes of instruments, Hirose UK transmits the orders of our clients to our parent company Hirose Tusyo Inc. in Japan for further execution.

Class of Instrument		CFD on a Forex Instrument CFD on a Spot Metal				
Notification if less than 1 average trade per business day in the previous year						
Top five execution venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
Hirose Tusyo Inc.	100%	100%			0%	