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# Information on our Hong Kong & Singapore order handling & execution policy

Product general procedure – rates, credit & fixed income  
solutions



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For information about our investment bank entities, visit  
<https://www.ubs.com/global/en/investment-bank/regulatory-directory/global-markets-bestexecution-hksg.html>

# Product general procedure – rates, credit and solutions

This is a supplement to the information on our Hong Kong & Singapore order handling & execution policy.

## 1 Purpose

- (a) This document provides information on the application of Hong Kong & Singapore best execution by UBS investment bank entities in HK / SG when handling or executing **Rates, Credit & Solutions** transactions for Professional Clients<sup>1</sup>.
- (b) For the purpose of this document Rates and Credit includes Rates, Credit, and Fixed Income Solutions.
- (c) This document supplements our Information on our HK / SG Order Handling & Execution Policy (**Policy Information**) available at: <https://www.ubs.com/global/en/investment-bank/regulatory-directory/global-markets-bestexecution-hksg.html>
- (d) Capitalised terms not defined in this document shall have the same meaning as in the Policy Information document.

## 2 Scope & Application of Best Execution to UBS Rates Credit & Solutions services

- (a) UBS has undertaken a detailed analysis of the application of best execution obligations (**Best Execution**) to the UBS Rates Credit & Solutions business, in line with the relevant regulatory requirements under the Securities and Futures Commission (SFC) & Monetary Authority of Singapore (MAS). Where relevant, orders to which Best Execution applies (**Orders**), will also be executed in line with any instructions and constraints placed on the Order by the Client. In other situations, particularly in the context of quote driven activity, a review of the flows has confirmed those Rates and Credit services are not be subject to Best Execution requirements. The paragraphs below explain in more detail when and how Best Execution obligations apply in the context of Rates and Credit Services.

- (b) Clients are able to submit the following types of instructions or requests.
  - (i) **Firm Fixed Price Orders:** An Order to buy or sell at a fixed price which is executable at the stated price only and is not contingent, nor subject to, subsequent confirmation from the order submitter. This is a Best Execution service, though only in relation to non-price-related matters.
  - (ii) **Fixing or Benchmark orders:** An order to buy or sell at the externally published fixing or benchmark price (plus a spread or fee, if applicable) without subsequent confirmation from the order submitter. All Execution Factors are either fixed (e.g. disclosed fees) and/or subject to specific client instructions. This service is not a Best Execution service.
  - (iii) **Auction / Buyback orders:** An order to buy/sell a bond at a price based on the Client's bid price and the relevant issuer's auction / buyback price. This service is not a Best Execution service.
  - (iv) **Indications of Interest (IOIs):** Where the Client indicates their interest to trade with UBS at or near a certain price. If UBS is subsequently prepared to trade at or near that price, UBS will contact the Client and quote the price at which UBS is willing to trade. The decision to proceed or not with that trade at the UBS price offered will be with the Client. This service is not a Best Execution service.
  - (v) Clients may also request a quote (**RFQ**) for a price from UBS which is the predominant way in which the Rates, Credit and Fixed Income Solutions business operates. This is not a Best Execution service.
- (c) The business does not take the following types of orders or instructions:
  - ⌚ Stop Loss, Take Profit, At Worst and other Limit orders;
  - ⌚ At best, Fill or Kill<sup>2</sup> and other Market orders.

## 3. Where does UBS provide Best Execution in Rates and Credit services?

- (a) In summary, Clients should note that Best Execution is only applicable in the context of Orders: specifically Firm Fixed Price Orders and only in relation to non-price-related matters.

## 4. Order Execution

- (a) Generally, the Execution Factors for any order to which Best Execution requirements apply are, subject to any specific instruction or fixed element, price, cost, speed, likelihood of execution and settlement fees, size, and any other consideration relevant to the execution of an order. Orders might potentially be subject to all Execution Factors, but the relative importance of each factor is determined by the Execution Criteria, which include the following contributing elements:
  - (i) The Client;
  - (ii) The order;
  - (iii) Financial Instrument that are subject of the order; and
  - (iv) The Execution Venues to which the order can be directed.
- (b) While Best Execution is only applicable in Rates and Credit to Firm Fixed Price Orders, where Clients instruct on price, when receiving these orders, the Rates and Credit business will agree a time frame for which the order is active and the Rates and Credit Business's ability to execute will be based on whether

there is sufficient liquidity available at the Fixed Price at any point during this period. Absent of any specific instructions, with respect to certainty and timeliness, we will assume the order is good until the end of day.

- (c) Where the Client provides specific instructions (in addition to price) with respect to the execution of a Firm Fixed Price Order, it will be executed in accordance with those instructions. To the extent that UBS accepts and follows Client instructions, UBS will have satisfied any Best Execution requirements with respect to those aspects of the Order. Any remaining elements of the Order not covered by the Client's specific instructions will remain subject to Best Execution requirements and will be determined by UBS according to the Execution Factors and Execution Criteria, as set out above.

## **5. Monitoring**

- (a) The Business monitor the effectiveness of order execution arrangements to ensure that Best Execution is achieved on a consistent basis.



# Disclaimer

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