

Virtu Financial Ireland Limited

RTS 28: Best Execution Disclosure Report

FOR YEAR ENDING 31 DECEMBER 2018

Introduction

Virtu Financial Ireland Limited (“VFIL”) is Authorised by the Central Bank of Ireland with Firm Reference Number C93329 as an Investment Firm under Regulation 8 (3) and 5 (2) of the Statutory Instrument No. 375/2017 European Union (Markets in Financial Instruments) Regulations 2017 (“MiFID II”).

As VFIL acts as MiFID II investment firm and provides agency execution investment services to professional clients and eligible counterparties, namely the investment services of executing orders on behalf of clients and receiving and transmitting orders in relation to equities and equity-like instruments, VFIL is subject to a number of MiFID II disclosure requirements.

Commission Delegated Regulation (EU) 2017/576 requires VFIL to publish specific information in relation to its client orders executed on trading venues, systematic internalisers, with market makers or other liquidity providers or entities that perform a similar function to those performed by any of the foregoing in a third country (the “RTS 28 Disclosures”). This document is VFIL’s RTS 28 Disclosures Report.

This RTS 28 Disclosures Report and accompanying RTS 28 Disclosures Metrics should be read in conjunction with VFIL’s Order Execution Policy of Professional clients, as updated from time-to-time. This document has been prepared by VFIL for the period starting 1 January 2018 through to 31 December 2018.

VFIL’s Order Execution Policy and RTS 28 Disclosures are published on the Regulatory Disclosures section of VFIL’s website [\[link\]](#).

Execution Factors Explained

Explanation of the importance VFIL gave to the execution factors of price, costs, speed, and likelihood of execution or any other consideration including qualitative factors when making assessments of the quality of execution.

As specified in VFIL’s Order Execution Policy, VFIL considers the following execution factors: Price, Cost, Speed, Likelihood of execution and Settlement, Size and Nature of order.

VFIL execution quality assessment has placed higher importance on Price, but has not limited its review to this factor. When assessing Price, best price available at time of execution, price reversion post-execution across multiple intervals are reviewed. Size of execution is also an important factor as VFIL will seek to trade in Large in Scale in order to reduce price impact and increase spread capture. Other factors such as hit rates and fill rates across venues among other factors are considered as well.

The assessment of execution quality is performed over different time intervals, it is analysed and compared over these time interval in order to monitor for performance changes post changes both market wide and VFIL own adjustments to its execution strategies.

Close links and conflicts Disclosed

Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

VFIL is wholly owned by Virtu Financial, Inc. (“Virtu”). Through Virtu, VFIL has regional affiliate relationships in the United States, Canada and APAC. VFIL uses its regional affiliates for execution of orders outside of the EMEA region. VFIL looks to ensure that affiliates provide a global execution capability to VFIL clients where required.

In addition, VFIL requires affiliates to ensure clients have access to the broad market in any stock including access to liquidity in exchanges, alternative trading systems and bank / broker liquidity where relevant.

When VFIL accesses venues directly, through affiliate brokers and through third party brokers or dealers, VFIL measures the performance of these executions to identify outliers and help ensure appropriate standards of execution which are consistent with its Order Execution Policy.

Specific Arrangements with Trading Venues

Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.



VFIL does not have any bespoke arrangement with any execution venues regarding payments made or received, discount or non-monetary benefits.

Reviewing Execution Venues

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.

During the period this report covers VFIL has adjusted its agency client order handling algorithms' and strategies' interactions with different trading venues and brokers based on performance observed as well changes to an ever evolving liquidity landscape and other market structural changes. For example, VFIL has connected to additional periodic batch auction, block trading and other new venue typologies as EU execution mechanisms have varied following the implementation of MiFID II. VFIL has also connected to a range of other liquidity sources including a range of Systematic Internalisers.

The assessment to add, remove or vary venue and broker routing and connectivity is done on an ongoing basis by VFIL's Best Execution Committee.

Client categorization and execution

Explanation of how order execution differs according to client categorisation, where the Firm treats such category of client differently and where it may affect order execution arrangements.

VFIL does not differentiate between Professional and Eligible Counterparty clients when assessing execution quality. VFIL's order execution policy is published on the Regulatory Disclosures section of VFIL's website [\[link\]](#).

Specific execution considerations for retail clients

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.

VFIL does not offer investment services including execution services directly to retail clients.

Tools utilized to generate RTS 27 & RTS 28 disclosures

Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 and RTS 27.

For the purpose of monitoring and measuring execution quality, VFIL uses internal proprietary bespoke execution, forensics, analytical and measurement tools.

Consolidated tape provider

Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

No third party provider provides an EEA consolidated tape.

For the purpose of monitoring and measuring execution quality, VFIL uses internal proprietary bespoke execution forensic, analytical and measurement tools.

Additional information on VFIL's RTS 28 Disclosures

VFIL's Order Execution Policy and RTS 28 Disclosures are published on the Regulatory Disclosures section of VFIL's website [\[link\]](#).

The RTS 28 Disclosures include metrics for VFIL client order flow regardless of client classification (Professional or Eligible Counterparty), all Equity and Equity-Like Instruments and all trading venues and local brokers.

The report differentiates orders executed through the Firm's own membership and orders transmitted to a local broker for execution.