

# BEST EXECUTION POLICY

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AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED  
SINGAPORE BRANCH

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## 1. INTRODUCTION

The Monetary Authority of Singapore Notice SFA 04-N16 on Execution of Customers' Orders and Guidelines SFA 04-G10 to MAS Notice SFA 04-N16 on Execution of Customers' Orders (collectively, "**MAS Rules**") require firms, when placing and/or executing, or both, as the case may be, clients' orders for the purchase or sale of any financial instrument, and where certain conditions apply, to take all sufficient steps to obtain the best possible result for its clients taking into consideration not just price but cost, speed, settlement, likelihood of execution, size and nature of the order or any other consideration relevant to the execution of the order ("**Best Execution**").

This document sets out Australia and New Zealand Banking Group Limited, Singapore Branch's ("ANZ Singapore") approach to discharging the Best Execution obligation. ANZ Singapore's current business model means that a duty of Best Execution currently does not usually apply to the business it undertakes with clients. Despite this, ANZ Singapore will still trade with clients in a fair and transparent manner and act in the client's best interest in accordance with MAS Rules.

A copy of this Best Execution Policy is supplied to new and existing clients, other than Institutional Investor (II) clients, which are Accredited Investors (AI), Expert Investors (EI) and Retail Investors to ensure they are aware of the terms upon which ANZ Singapore deals with them and the duties owed by ANZ Singapore.

## 2. SCOPE OF THE DUTY OF BEST EXECUTION

Best Execution is owed by a firm to a client other than an II client when, in respect of a client's order, the client is deemed to rely on the firm in relation to pricing and other parameters of the transaction. As you are aware, ANZ Singapore always deals with you as principal and we operate primarily in request-for-quote markets.

ANZ Singapore's current business model means that a duty of Best Execution currently does not usually apply to the business we undertake with you with the exception of Retail Investor. Despite this, we still have an obligation to consider when an obligation of Best Execution is owed, and have monitoring and governance controls in place to achieve this.

Where you as an AI or EI request a quote from ANZ Singapore, we will owe you a duty of Best Execution only if we determine that you rely on us, having assessed the nature and relevant circumstances of the particular transaction, which include the following non-exhaustive list of reliance factors:

### Non Reliance Criteria

ANZ Singapore may take into consideration circumstances such as:

- whether the customer is the one who initiates the order;
- whether the customer specifies the venue and price at which the order should be executed; or
- relevant guidance provided by other regulators that it has assessed to be appropriate in determining non-reliance such as the MiFID Four-Fold cumulative test.

### MiFID Four Fold Test:

- **Which party initiates the transaction:** Where ANZ Singapore approaches a client to enter into a transaction it is more likely the client is placing reliance on ANZ Singapore. Where the client initiates the transaction it is less likely the client will be placing reliance on ANZ Singapore.
- **Market practice and the existence of a convention to 'shop around':** Where the practice in the market in which a business area operates suggests the client will take responsibility for the pricing and other elements of the transaction, it is less likely the client is placing reliance on ANZ Singapore.
- **The relative levels of price transparency within a market:** If ANZ Singapore has ready access to prices in the market in which it operates whereas the client does not it is more likely the client is placing reliance on ANZ Singapore. If access to pricing transparency is equal or similar for the client, it is less likely the client is placing reliance on ANZ Singapore.
- **The information provided by the firm and any agreement reached:** Where the arrangements and agreements between ANZ Singapore and the client do not indicate or suggest a relationship of reliance, it is less likely that the client will be placing reliance on ANZ Singapore.

Most transactions between ANZ Singapore and its clients are based on a specific request by the client to buy or sell a financial instrument, or the acceptance by the client of a price quoted by ANZ Singapore to buy or sell a financial instrument. In the applicable financial instruments offered by ANZ Singapore, prices are highly transparent and it is the typical practice of clients to approach a number of different dealers for a price. In most instances, ANZ Singapore is in competition with those other dealers. These transactions which arise from requests to deal, enquiries, price streaming or requests for quote, typically do not meet the criteria for reliance.

In certain circumstances, and for certain products, we may accept orders to deal in some specified way, as per your instruction (“orders”). Our regulatory duty of Best Execution in these circumstances will be affected by the specifics of your order and your instructions to us. When you provide ANZ Singapore with a specific instruction as to how an order is to be executed, we are required to follow the instruction and satisfy any duty of Best Execution by following it. Where the specific instruction covers only a portion of an order, and we have discretion over the execution of other elements of the order, then we may be subject to the Best Execution obligation in respect of the elements of the order that are not covered by the client’s specific instruction, subject to the criteria for reliance.

### 3. FINANCIAL INSTRUMENTS

Where applicable, the Best Execution obligation only applies to dealings in “Capital Markets Products”, as defined by the Securities and Futures Act (Chapter 289). Capital Markets Products which ANZ Singapore deals in include the following:

- (a) FX - Forward FX, NDFs, FX Options, FX Swaps.
- (b) Repos & Reverse Repos.
- (c) Rates - Government Bonds, Rates Derivatives.
- (d) Credit - Corporate Bonds.
- (e) Commodities - Commodity derivatives.

### 4. EXECUTION FACTORS

Where Best Execution obligation applies, we will consider the following execution factors in order to meet our obligation to you:

- (a) price;
- (b) costs;
- (c) speed of execution;
- (d) likelihood of execution;
- (e) settlement;
- (f) size and nature of the order;
- (g) such other matters that may be relevant to the specific order or transaction having regard to the prevailing market conditions.

We will generally give the highest priority to the ‘all-in price’, inclusive of costs (i.e. the total consideration), to give the best overall outcome for you across all in-scope Financial Instruments where Best Execution applies.

Speed, likelihood of execution and settlement will generally be given the lowest priority by ANZ Singapore, as these factors have limited relevance when a client deals with us as principal whereas size and nature of the order may relatively vary based on the specific case though still considered low priority

Where the Best Execution obligation applies, we will take all sufficient steps to ensure that we deliver the best possible result to you. However, you should be aware that this does not mean that we can guarantee that on every occasion we will achieve the best possible result for your orders. Where systems fail, or for other reasons beyond our control we may execute orders or transactions in a manner which differs from our normal practice, in these situations we will endeavour to perform our regulatory obligation to the best of our ability, having regard to all of the circumstances. Under no circumstances shall any obligation to you under our Best Execution Policy amount to a condition of any transaction and no failure to comply with this Policy shall entitle you to cancel, terminate or rescind any transaction.

## 5. MONITORING AND GOVERNANCE

### (a) Oversight and Policy Review

ANZ Singapore will regularly monitor and assess the effectiveness of our Best Execution Policy and associated arrangements in order to achieve our regulatory duty of Best Execution. Relevant assessments will be conducted on a regular basis to identify and, where appropriate, address any deficiencies. Additionally, we will review our Best Execution Policy and associated procedures at least every three years or whenever a material change occurs that affects our ability to continue to obtain the best possible result for our clients.

Our approach to Best Execution is current from the date listed at the beginning of this document, and this approach shall supersede any prior notification or statement we have made in relation to Best Execution. This Policy is available at <https://institutional.anz.com/about-anz-institutional/disclosures> ("Disclosure Page") and may be updated from time to time to address changing regulatory, industry and other applicable developments. Please check the Disclosure Page to ensure that you have the latest version of this Policy.

### (b) Enquiries

If you have questions after reading this Best Execution Policy or concerning our dealings with you, we encourage you to contact your Relationship Manager or Sales representative.

[institutional.anz.co](https://institutional.anz.com)

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Limited (ANZ)