

Summary of the quality of execution of in 2025

1 – Preamble

“The European Securities and Markets Authority (ESMA) has issued a public statement indicating a change in its supervisory approach regarding the obligation for investment firms to publish best execution reports, specifically RTS 28 reports.

This decision follows the European Union Council and Parliament reaching a consensus on the revision of MiFID II/MiFIR, leading to the removal of the obligation under Article 27(6) of MiFID II for firms to disclose the top five execution venues used for client orders and the execution quality achieved.”

Banque Transatlantique Luxembourg (BTL) no longer publishes this list.

2 - Analysis of order execution quality

BTL is not a member of any market or execution platform. Consequently, it does not execute its clients’ orders directly. In accordance with its best execution policy, BTL entrusts the execution of these orders to intermediaries that have execution procedures and mechanisms consistent with the objectives set out in its execution policy. It is important to note that BTL has no ties to and has entered into no agreements with intermediaries or execution platforms that could give rise to a conflict of interest or be considered a “benefit.” BTL nevertheless wishes to clarify that it has a strong relationship with the intermediary/execution platform CIC Market Solutions, which belongs to the same Group as the Bank (Crédit Mutuel Alliance Fédérale). The fact that this entity belongs to the same Group as BTL allows, in particular, for the use of automated order processing chains. In fact, the process of routing, executing, and integrating orders into the information system is now fully automated and passes through the buy-side trading desk established by CIC Market Solutions, an entity of Crédit Mutuel Alliance Fédérale. As a result, processing times and the risk of error have been reduced, and transaction monitoring has been streamlined.

Nevertheless, the responsibility for selecting authorized intermediaries for CIC CIB’s buy-side trading desk remains with BTL. As such, upon its establishment, the list of selected intermediaries ensures comprehensive coverage of the range of asset classes that may be traded on behalf of BTL’s clients. The quantitative and qualitative factors that may impact the pursuit of best execution and are taken into account by BTL are detailed in its best execution and best selection policy. However, particular importance is given to the following factors, which are not necessarily listed in order of importance:

- **the security of trade processing**: generally speaking, BTL prioritizes routing trades to counterparties that have implemented automated order routing, execution, and confirmation processes, thereby minimizing the risk of error;

- **probability of execution:** BTL has selected intermediaries that provide access to all types of financial instruments traded on behalf of its clients, as well as extensive coverage of regulated markets and execution platforms for the most liquid instruments, or market makers/counterparties for less liquid instruments or those frequently traded over-the-counter;
- **Speed and price of execution:** These criteria are intrinsically linked and of equal importance, since price is often linked to the speed of order handling and execution, as well as to the order's impact on the market—which itself depends, among other factors, on the liquidity of the financial instrument;
- **execution cost:** BTL takes into account the costs associated with the execution and settlement of its orders, as these costs impact BTL's expense structure and thus the final cost billed to clients. However, it is important to note that the direct cost is always the same for the client. If the broker is more expensive, this reduces the bank's margin but has no effect on the cost to the client.

To assess execution quality, BTL uses various internal and external data. BTL distinguishes between two types of orders:

- orders with a maximum value of 100,000 euros (or the equivalent in foreign currency) relating to a highly liquid financial instrument on regulated markets. For these orders, the selection process prioritizes speed of execution and favors intermediaries that are technically integrated with CIC Market Solutions' systems (via Direct Market Access). BTL observes faster execution speeds due to this automation;
- Orders exceeding 100,000 euros (or the equivalent in foreign currency), or involving illiquid instruments, or where clients have provided specific instructions. In this context, the order is handled on a dedicated basis by a CIC Market Solutions trader to optimize the best possible result. Speed of execution is therefore no longer necessarily the primary criterion. The criteria of execution probability and settlement-delivery are particularly important in this case.

To date, the execution quality analysis conducted by BTL has not identified any irregularities on the part of CIC Market Solutions (the sole intermediary for order execution) or the selected intermediaries. With regard to the processing of transactions involving external UCITS, CIC Titres is involved in all stages of the settlement process. The BTL has not identified any irregularities on their part. The reports available to the BTL demonstrate the ability of the various selected intermediaries to satisfactorily execute the entire range of financial instruments traded, regardless of the geographic region involved or market liquidity conditions. It is also important to note that BTL has processed all orders on behalf of its clients in the same manner, whether they are on behalf of professional clients or retail clients. However, the type of order, and in particular the size and the client's instructions, may result in different selection and/or execution processes.

With regard to fixed-income instruments, BTL electronically transmits orders to the CIC Market Solutions trading desk, which solicits quotes from multiple authorized counterparties. The execution analysis criteria emphasize the ability to find a counterparty to execute the trade at a price consistent with the price range indicated on Bloomberg. BTL notes that the execution price is always consistent with the indications provided by Bloomberg. Furthermore, significant importance is placed on execution probability factors, as these instruments may prove to be illiquid. Execution speed will also be of particular importance. BTL observes that the trading desk provides satisfactory execution speed, as it has access to multiple broker-dealers and execution counterparties, possesses expertise in order execution, and has privileged access to liquidity. By definition, the OTC market encompasses bonds, derivatives, and structured products. BTL does not deal in non-securitized derivatives.

With regard to structured products, the Bank has selected recognized market participants capable of providing coverage in terms of underlying assets, execution quality, and post-trade monitoring. The Bank has adhered to the practice of purchasing structured products from a counterparty selected following a competitive bidding process and an analysis of the prices obtained. The Bank required that the execution platforms (i.e., brokers with the status of systematic internalisers or DPE in this case) commit to executing orders on the secondary market for the structured products traded with them.

3 - Conclusion

The various data used by the BTL in 2025 to assess the quality of implementation of its best selection/execution policy were diverse and of an internal or independent nature. Following analysis by BTL, this data led to the conclusion that the trading desk services provided by CIC Market Solutions, the execution services of the selected intermediaries, and the process for selecting execution platforms enabled us to meet the “best selection/best execution” obligations set forth by BTL.