

Best Execution
Retail Client Orders
Summary Disclosure Statement
HSBC Bank Malta plc – Markets



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HSBC Bank Malta plc is regulated and licensed by the Malta Financial Services Authority to provide investment services business. Listed on and is a member of the Malta Stock Exchange.

Retail Client Orders

INTRODUCTION

HSBC and Markets

HSBC Bank Malta plc (**HSBC**) is a member of the HSBC Group, the ultimate holding company of which is HSBC Holdings plc. Global Banking and Markets (**GBM**) is a business line of the HSBC Group and provides financial solutions to government, corporate and institutional clients worldwide. **Markets** is the financial markets sales and trading division within GBM.

Retail Terms

HSBC may enter into retail terms of business (**Retail Terms**), relating to Markets activities, with those of its clients (**retail clients**) that are neither professional clients nor eligible counterparties. Under its Retail Terms, Markets may deal directly with these retail clients in respect of a limited range of Markets products.

Purpose

HSBC has a policy and related arrangements (**Best Execution Policy**) on best execution in respect of our Markets activities. This Summary Disclosure Statement (**RCO Summary**) provides summary information on our Best Execution Policy, with a focus on the total costs that the retail client may incur in connection with execution. If you have any questions about this RCO Summary or our Best Execution Policy, please contact your HSBC representative.

Client Disclosure Statement

A fuller description of our Best Execution Policy is set out in our Client Disclosure Statement (**Statement**), which is available on <http://www.business.hsbc.com.mt/> Tools and resources – MiFID II. This RCO Summary uses certain terms that are defined in the Statement.

Addressees

This RCO Summary is addressed to those clients of HSBC who deal directly with Markets and have entered into the Retail Terms referred to above. References below to **HSBC** and **we**, and to **clients** and **you**, should be understood accordingly.

BEST EXECUTION

Overarching principle

Our Best Execution Policy requires us to provide those execution services that are subject to best execution in a manner that is consistent with the overarching principle. This is the **overarching principle**: we take all sufficient steps to obtain the best possible result for our clients, taking into account the execution factors, on a consistent basis.

Application

Broadly, the overarching principle applies to us when we execute orders for the purchase or sale of financial instruments on your behalf.

Statement

Please refer to the statement for a fuller description of this overarching principle and its scope of application.

Retail Terms

Please also refer to the Retail Terms for further information on best execution and order execution more broadly.

FEE ARRANGEMENTS

Fees

It is our policy to establish an appropriate methodology (whether at the transactional or relationship level) to ensure pricing transparency for clients. The application of the overarching principle does not require us to compare the commissions and costs (**fees**), which we charge you in connection with execution, with the fees charged by other firms. The latter fees may be structured differently or may relate to different services. If you have any questions about our fee arrangements, please contact your HSBC representative.

Execution venues

Best execution is particularly important in the context of the decisions we make in selecting between competing execution venues when executing orders on your behalf of clients. This is referred to as **order routing**. We do not route orders by reference to our fees. However, our fees may be relevant to order routing in this context. Where there is more than one competing execution venue to which we may route your order:

- we assess and compare the results that would be achieved by executing your order on each of the competing execution venues
- we take into account our fees when doing this

Where only **a single** execution venue is used HSBC must still ensure that it obtains the best possible result on a consistent basis. HSBC will also regularly assess the market environment to determine whether or not other alternative venues can be used.

HSBC Bank Malta p.l.c. will be using HSBC Bank plc as our single execution venue in respect of FX and derivatives.

APPLICATION

Total consideration

We determine the best possible result in terms of the **total consideration**, represented by

- price
- costs

Price

When we execute an order on your behalf, **price** refers to the sale or purchase price (as the case may be) that we obtain for you.

Costs

For the purpose of determining total consideration, **costs** are all expenses incurred by you that are directly related to execution, including (for example) fees paid to third parties involved in execution. These costs are 'external' and do not include our own fees.

OTC

When we transact with you OTC then, in the normal course of business, we do so at an all-in price. This means that we do not charge you an explicit fee. This all-in price is the relevant price for the purpose of determining total consideration. However, if the all-in price includes a spread that is clearly identified and agreed between us, then the all-in price net of that spread is the relevant price for the purpose of determining total consideration.

AMENDMENTS

HSBC may update this RCO Summary from time to time. The prevailing version of this RCO Summary is available on <http://www.business.hsbc.com.mt/> Tools and resources – MiFID II.