



Order Handling and Execution Policy

UK Branch

Last updated: January 2021

Purpose

In our dealings with our clients, we act transparently, honestly, fairly and professionally, taking into account their best interests. In relation to order execution, the UK Branch of Silicon Valley Bank (“SVB”) is required to take all sufficient steps to obtain the best possible result for client orders, subject to and taking into account any specific instructions received, the nature of the orders and the nature of the markets and the products concerned. This Order Handling and Execution Policy explains the processes and procedures in place to meet these requirements.

The Policy will be published and kept up to date on our website at <https://www.svb.com/uk/foreign-exchange/>.

Scope

Clients

This Order Execution and Handling Policy applies to orders executed on behalf of clients classified as retail or professional clients under the Markets in Financial Instruments Directive (MiFID) by SVB, in accordance with our legal and regulatory requirements. You will have received a formal notification from us informing you of your client categorisation when you requested to use SVB’s in-scope product offering, including Foreign Exchange (FX) and interest rate derivative services. Unless otherwise stated, this policy applies to clients in the same way regardless of whether you are a retail client or professional client.

SVB will be executing orders on your behalf where you legitimately rely on SVB to protect your interests in relation to the pricing or other aspects of the order e.g. when executing a limit order.

Note that this policy only applies to contracts with MiFID retail or professional clients, not to contracts with MiFID eligible counterparties, unless we expressly agree otherwise.

Products

This Order Handling and Execution Policy will apply every time we execute an order with or for clients in respect of “financial instruments” as defined in the Financial Conduct Authority (FCA) Handbook. For SVB this includes financial contracts that are in-scope of MiFID, such as options, forwards and swaps, whether traded on a venue or not. MiFID professional clients have access to SVB’s full product suite of financial instruments and MiFID retail clients have access to some of those products.

Other non-MiFID business, for example FX spot transactions and business concerning loan agreements and deposits, which are not considered “financial instruments”, are not covered by this policy.

Where clients are classified as a professional client, Best Execution obligations are unlikely to apply where we are asked for a quote (Request For Quote), as we take the view that such clients have researched the market, the FX market is predominantly liquid and clients are not placing legitimate reliance on SVB to protect their interests.

Geographical

This Order Handling and Execution Policy applies to all clients where SVB books a trade through a UK branch account, without making a distinction on whether or not the client is resident in the United Kingdom (“UK”) or the European Union (“EU”), and regardless of where the transaction is executed. Where services are provided, or trades are booked on non-UK branch accounts, this Order Handling and Execution Policy does not apply.

Order execution

At SVB, Clients may execute FX or IRD transactions through the following trading media:

- SVB’s voice trading facility
- Electronic trading platforms
- Email

Silicon Valley Bank is registered in England and Wales at Alphabeta, 14-18 Finsbury Square, London EC2A 1BR, UK under No. FC029579. Silicon Valley Bank is authorised and regulated by the California Department of Financial Protection and Innovation (DFPI) and the United States Federal Reserve Bank; authorised by the Prudential Regulation Authority with number 577295; and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

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Execution factors

When trading financial instruments with us, clients are trading on 'our' price (SVB is the counterparty to the transaction). There are a number of factors that SVB may use to construct a price for financial instruments and these will vary depending on the asset class traded, the nature of the market and the characteristics and terms of the transaction and any special market or credit risks posed by it.

Subject to any specific instructions, taking into account the criteria above, we will take the following execution factors into account:

- Price;
- Cost;
- Speed;
- Likelihood of execution and settlement; and
- Size, nature or any other consideration relevant to the execution of a transaction

See the Annex to this Order Handling and Execution Policy for priority of execution factors.

For retail clients, the best possible result will be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution.

Specific client instructions

Where SVB is given a specific instruction on how all or part of an order should be executed (for example choice of venue or the timing), the relevant execution will be effected in accordance with such instructions. **Clients should be aware that providing specific instructions may prevent SVB (in whole or in part) from taking the steps set out in this Order Handling and Execution Policy to obtain the best possible result for the execution of an order.**

Where a client's instruction relates to only part of the order, we will continue to apply the Order Handling and Execution Policy to the parts of the order not covered by the specific instructions.

Execution venues

SVB will enter into all transactions with our clients as principal (counterparty) and act as the sole execution venue for all client orders. SVB regularly reviews the market participants (including brokers, venues and banks) it uses for its own risk management, looking at post trade analytics and periodic monitoring, in addition to reviewing the selection process for new and additional execution venues. Any order accepted may be transmitted outside of the UK.

See the Annex to this Order Handling and Execution Policy for the execution venues and hedging venues for each class of financial instrument.

Interest rate derivatives

When offering interest rate derivatives, SVB will transmit orders to an approved third-party broker for execution. In doing so, we will provide specific instructions, so discretion in relation to the execution of the order will remain with SVB. We will act at all times in our client's best interests.

Client order handling

Order priority and timely execution

SVB will execute each client's order in a prompt, fair and expeditious manner and will generally seek to execute comparable orders in the sequence in which they are received, unless for example the characteristics of the order or prevailing market conditions make this impracticable and as a consequence, a deviation from this principle can be justified.

In every instance, SVB will ensure that client orders take precedence over SVB orders and that the client order will be handled in an equitable manner, and to the client's best advantage.

Where SVB experiences material difficulties in carrying out a client order promptly, we will inform you as soon as we become aware of the difficulty.

Where you would like to query the execution of an order, you can request SVB to demonstrate that it has been executed in compliance with this policy. See the Annex to this Order Handling and Execution Policy for contact details.

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Aggregation and allocation of orders

We may aggregate your order with the orders of other clients, or with transactions for our own account only where it is unlikely to work to the overall disadvantage of the clients concerned. We will make all reasonable efforts to ensure the client is not disadvantaged, but there may be instances where they are, due to reasons outside our direct control such as external market forces.

MiFID costs & charges

Clients who transact financial instruments with SVB will receive an annual MiFID Ex-Post Costs & Charges report, detailing the costs applied to each financial instrument traded over the previous calendar year. Additionally, clients wishing to understand the maximum costs & charges that could be applied to a financial instrument prior to transacting with SVB, can find our MiFID Ex-Ante Costs & Charges documents on our website: <https://www.svb.com/uk/foreign-exchange/>

Monitoring and reviewing

We will regularly monitor the effectiveness of this Order Handling and Execution Policy and our order execution arrangements to identify and, where appropriate, correct any deficiencies. In particular, we will assess on a regular basis whether the execution venues and liquidity sources relied upon by us in pricing any instrument allow us to achieve Best Execution on a consistent basis. Furthermore, our Market Risk Solutions team, through whom client orders are executed, will be monitored to ensure the final prices obtained from order executions fit within acceptable tolerances in relation to the mid-market price at the time of execution.

Clients will be able to view our performance with regards to Best Execution under MiFID via our quarterly RTS27 and annual RTS28 reports. These reports are published alongside this policy on our website: <https://www.svb.com/uk/foreign-exchange/>

We will formally review this Order Handling and Execution Policy and the relevant order execution arrangements at least annually or whenever a material change occurs either in respect of one of our chosen pricing venues or otherwise that affects our ability to continue to achieve Best Execution. Should there be any material changes to our order execution arrangements or to this Order Handling and Execution Policy, we will notify clients of such change.

Misuse of information

SVB will not misuse information relating to or between pending client orders. SVB will take all reasonable steps to prevent the misuse of such information by any relevant persons or employees.

Any use by SVB of information relating to a pending client order to deal on its own account in the financial instruments to which the client order relates, or in any related financial instrument, will be considered a misuse of that information.

Consent

Where a client has received this Order Handling and Execution Policy and subsequently submits an order to SVB for execution, SVB will consider that client to have consented:

- To this Order Handling and Execution Policy; and
- That orders may be executed outside a trading venue (being a regulated market, a multilateral trading facility or an organized trading facility). Orders will typically be executed outside a trading venue in relation to currency markets where you execute directly with SVB acting as principal.

Annex

List of “financial instruments” to which SVB Order Handling and Execution Policy applies:

- i) All non-spot FX; and
- ii) Interest rate derivative transactions.

Execution venues

Class of financial instrument	Execution venue	Hedging venue
Foreign exchange derivatives	Silicon Valley Bank (UK Branch)	Inter-bank market
Interest rate derivatives	Chatham Financial Corp on behalf of Silicon Valley Bank (UK Branch)	Inter-bank market

Priority of execution factors

The below table demonstrates the prioritisation of execution factors that SVB endeavours to abide by under normal circumstances. SVB may be required to execute using a different prioritisation in exceptional circumstances, in order to ensure that client orders meet applicable Best Execution requirements.

	Foreign Exchange Derivatives	Interest Rate Derivatives
Price	1	1
Speed of execution	2	3
Likelihood of execution	3	2
Cost	4	5
Size, nature	5	4

You can contact us in the following ways:

- by emailing us at ukclientservice@svb.com
- by telephone on **0800 023 1441** (or **+44 (0) 207 367 7881** if calling from outside the UK)
- by visiting our website at www.svb.com/uk; or
- by writing to us at Alphabeta, 14-18 Finsbury Square, London EC2A 1BR

Complaints

We aim to provide the highest level of customer service possible. However, if you experience a problem, we will seek to resolve it as quickly as possible. We will also take the steps necessary to prevent the problem from happening again.

If you have a complaint, we have set out how it will be handled in our Complaints Handling Procedures available at <https://www.svb.com/uk/complainthandling-procedures/>

If you are a micro-enterprise (or otherwise an eligible complainant as defined by the Financial Conduct Authority) and we cannot resolve your complaint to your satisfaction, you are entitled as set out in our Complaints Handling Procedures to refer your complaint to:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Phone: 0800 023 4567 or (+44 207 964 0500 if calling from outside the UK)

Email: complaint.info@financial-ombudsman.org.uk

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