

RTS 28 Report 2017

In line with the provisions of the Law 87(I)/2017 and in accordance with Directive 2014/65/EU on Markets in Financial Instruments (MiFID II), Cyprus Investment Firms are obliged to make public on annual basis the top five execution venues (in terms of trading volumes) where they executed client orders, for each class of financial instruments.

The scope of this report, is to provide sufficient information to our clients, in order for them to be in the position to examine and evaluate the methods of execution and relevant quality that is provided by Atonline limited.

General Information

Within the year under report the Firm utilised a limited number of execution venues for the purpose of executing client orders. Further, it is necessary to state that, since the Firm does not serve Retail Clients, as those are defined by MiFID II, the quantitative analysis presented below, is only relevant to professional clients.

1) Debt Instruments. Bonds

Top 5 Execution venues

Class of Instrument	Debt instruments (Bonds)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Atonline Limited - 213800PZWYFKIOAGQY35	100.00%	100.00%	n/a	n/a	0.00%

Top 5 Execution Brokers

Class of Instrument	Debt instruments (Bonds)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ATON LLC - 253400H0WYAKUHUUSQ38	100.00%	100.00%	n/a	n/a	0.00%

Consolidated report on Top 5 execution venues:

Class of Instrument	Debt instruments (Bonds)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Atonline Limited - 213800PZWYFKIOAGQY35	98%	98%	n/a	n/a	0.00%
ATON LLC - 253400H0WYAKUHUUSQ38	2.00%	2.00%	n/a	n/a	0.00%

The big majority of orders was executed OTC, through the Firms own account, since these instruments are not always admitted on regulated markets and there are also liquidity limitations. However, it is important to state that the average number of orders on this class was rather small (around 2 per business day). The most important factors taken into account for Bonds vary according to liquidity, urgency and volatility. In 2017 price was generally the leading execution factor used for this asset class.

2) Equities – Shares & depositary Receipts

2.1. Equities – Shares & depositary Receipts (liquidity bands 5 and 6):

Top 5 Execution venues

Class of Instrument	Equities - Shares & DRs (i)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
London stock exchange - XLON	100.00%	100.00%	n/a	n/a	0.00%

Top 5 Execution Brokers

Class of Instrument	Equities - Shares & DRs (i)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
KCG Europe Limited - 549300346EFUPFCXJT79	51.45%	63.34%	n/a	n/a	0.00%
UBS Limited - REYPIEJN7XZHSUI0N35	48.55%	36.66%	n/a	n/a	0.00%

Consolidated report on Top 5 execution venues:

Class of Instrument	Equities - Shares & DRs (i)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
London stock exchange - XLON	50.67%	57.96%	n/a	n/a	0.00%
KCG Europe Limited - 549300346EFUPFCXJT79	25.38%	26.63%	n/a	n/a	0.00%
UBS Limited - REYPIEJN7XZHSUI0N35	23.95%	15.41%	n/a	n/a	0.00%

2.2. Equities – Shares & depositary Receipts (liquidity bands 3 and 4):

Top 5 Execution venues

Class of Instrument	Equities - Shares & DRs (ii)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
London stock exchange - XLON	100.00%	100.00%	n/a	n/a	0.00%

Top 5 Execution Brokers

Class of Instrument	Equities - Shares & DRs (ii)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
KCG Europe Limited - 549300346EFUPFCXJT79	79.72%	79.86%	n/a	n/a	0.00%
UBS Limited - REYPIEJN7XZHSUI0N355	20.28%	20.14%	n/a	n/a	0.00%

Consolidated report on Top 5 execution venues:

Class of Instrument	Equities - Shares & DRs (ii)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
KCG Europe Limited - 549300346EFUPFCXJT79	49.50%	37.07%	n/a	n/a	0.00%
London stock exchange - XLON	37.91%	53.58%	n/a	n/a	0.00%
UBS Limited - REYPIEJN7XZHSUI0N355	12.59%	9.35%	n/a	n/a	0.00%

2.3. Equities – Shares & depositary Receipts (liquidity bands 1 and 2):

Top 5 Execution Venues

Class of Instrument	Equities - Shares & DRs (iii)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
London stock exchange - XLON	54.05%	90.74%	n/a	n/a	0.00%
Atonline Limited - 213800PZWFYFKIOAGQY35	45.95%	9.26%	n/a	n/a	0.00%

Top 5 Execution Brokers

Class of Instrument	Equities - Shares & DRs (iii)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
KCG Europe Limited - 549300346EFUPFCXJT79	98.65%	99.80%	n/a	n/a	0.00%
ATON LLC - 253400H0WYAKUHUUSQ38	1.35%	0.20%	n/a	n/a	0.00%

Consolidated report on Top 5 Execution Venues:

Class of Instrument	Equities - Shares & DRs (iii)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
KCG Europe Limited - 549300346EFUPFCXJT79	95.00%	97.54%	n/a	n/a	0.00%
London stock exchange - XLON	2.00%	1.96%	n/a	n/a	0.00%
Atonline Limited - 213800PZWYFKIOAGQY35	1.70%	0.30%	n/a	n/a	0.00%
ATON LLC - 253400H0WYAKUHUUSQ38	1.30%	0.20%	n/a	n/a	0.00%

In terms of orders on Equity the Firm Utilises mainly 4 execution venues. Orders for instruments traded on the London Stock Exchange are usually placed on the market since Atonline is a professional member of LSE. For Russian securities, orders are also directed for execution to ATON LLC, a Russian affiliated broker who provide to Atonline access to the Russian market. Further, for international securities orders are executed primarily through KCG Europe who is the main broker of Atonline, and secondary through UBS. The factors vary according to liquidity and volatility. For 2017 price was generally the leading execution factor used for this asset class, followed by speed and size. For less liquid stocks it was likelihood of execution and cost of execution.

3) Structured finance Instruments

Top 5 Execution venues

Class of Instrument	Structured finance instruments				
Notification if < 1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Atonline Limited - 213800PZWYFKIOAGQY35	100%	100%	n/a	n/a	0.00%

Atonline provides to clients access to Notes, through access that the Firm has to various issuers. These transactions are executed OTC.

4) Exchange traded products

Top 5 Execution Venues

Class of Instrument	Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
London stock exchange - XLON	100.00%	100.00%	n/a	n/a	0.00%

Top 5 Execution Brokers

Class of Instrument	Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
KCG Europe Limited - 549300346EFUPFCXJT79	99.43%	99.31%	n/a	n/a	0.00%
UBS Limited - REYPIEJN7XZHSUI0N355	0.57%	0.69%	n/a	n/a	0.00%

Consolidated report on Top 5 execution venues:

Class of Instrument	Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
KCG Europe Limited - 549300346EFUPFCXJT79	97.9100%	98.3300%	n/a	n/a	0.00%
London stock exchange - XLON	1.53%	0.99%	n/a	n/a	0.00%
UBS Limited - REYPIEJN7XZHSUI0N355	0.5600%	0.6800%	n/a	n/a	0.00%

In 2017 price was generally the leading execution factor used for this asset class.

5) Other Instruments

Top 5 Execution Venues

Class of Instrument	Other Instruments				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Atonline Limited - 213800PZWYFKIOAGQY35	99.99%	99.99%	n/a	n/a	0.00%
London stock exchange - XLON	0.01%	0.01%	n/a	n/a	0.00%

Top 5 Execution Brokers

Class of Instrument	Other Instruments				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ATON LLC - 253400H0WYAKUHUUSQ38	96.59%	76.00%	n/a	n/a	0.00%
KCG Europe Limited - 549300346EFUPFCXJT79	3.37%	23.45%	n/a	n/a	0.00%
UBS Limited - REYPIEJN7XZHSUI0N355	0.04%	0.55%	n/a	n/a	0.00%

Consolidated report on Top 5 execution venues:

Class of Instrument	Other Instruments				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Atonline Limited - 213800PZWYFKIOAGQY35	69.57%	57.48%	n/a	n/a	0.00%
ATON LLC - 253400H0WYAKUHUUSQ38	29.39%	32.18%	n/a	n/a	0.00%
KCG Europe Limited - 549300346EFUPFCXJT79	1.024%	9.93%	n/a	n/a	0.00%
UBS Limited - REYPIEJN7XZHSUI0N355	0.014%	0.23%	n/a	n/a	0.00%
London stock exchange - XLON	0.002%	0.18%	n/a	n/a	0.00%

This table refers to Russian and other securities (equity) for which no liquidity band is available, in order for them to be classified.

Summary of the analysis and conclusions

Based on the general execution policy of the Firm and concluding on the above, the main points derived are the following:

- a) Based on the fact that the Firm's execution venues are different for different classes of Financial Instruments, taking into account the nature and characteristics of each financial instrument, we conclude that higher importance is given to the price. However, in order to obtain best price for the client, other factors are important also. The Firm tends to route orders into execution venues with sufficient liquidity in order for the order to be executed, and at the same time to obtain a better price. Also, the Firm by limiting down the number of execution venues it utilises, is more likely to obtain better pricing in terms of the costs for execution. Additionally to the above, it needs to be stated that, the Firm while routing orders through Brokers, it takes into consideration, the quality of execution provided by each broker. A critical factor to the decision, is the efficiency of the algorithms utilised through each broker, since this has an overall effect over the quality of execution, affecting mainly the achievement of best price.
- b) From the execution venues mentioned above, it shall be noted that the Firm maintains close links with ATON LLC which is an affiliated entity. However, the fact that the Firm does not have access to Russian markets through other sources and that better terms in relation to costs are deemed to be obtained, are considered to be factors that are balancing possible conflict of interests.
- c) Atonline does not receive any kind of benefits from the execution venues utilised.
- d) No change to the list of execution venues occurred in the year under reference.
- e) The Firm does not serve Retail clients, hence no differentiation in order treatment related to client categorisation exists.
- f) As was stated above the Firm does not serve Retail clients.
- g) Data or tools relating to the quality of execution were not available for the year under reference, as the law prescribes the output of such data, starting from the 3rd of January 2018.
- h) Consolidated tape provider regime, is prescribed by the Law, starting from the 3rd of January 2018, therefore for the year under review there was no availability.

General Conclusion

Reviewing the information stated above, we conclude that the Firm makes the best of efforts to provide Best Execution to its' client's by examining and taking into account all factors affecting Best Execution and by giving proper weight to each factor subject to the needs of the clients.