

# Order Handling and Best Execution Policy

This version of the Order Handling and Best Execution Policy will apply from 23 February 2024. If you would like to see the previous versions that applied until 23 February 2024, please click [here](#).

## Order Handling and Best Execution Policy summary

This Order Handling and Best Execution Policy Summary ("**Summary**") sets out in high-level how Revolut Securities Europe UAB ("**we**", "**us**", "**our**", "**RSEUAB**") is handling Client ("**yours**", "**you**", "**yourself**") orders in order to meet the Best Execution requirements as defined in the Markets in Financial Instruments Directive 2014/65/EU ("**MiFID II**"). Full Order Handling and Best Execution Policy can be found below.

### 1. Scope and Purpose

1.1. This summary lays out the general approach to how we handle orders to obtain consistently the best possible results for you when we provide the investment service of "executing on behalf of clients". You should read it carefully and in conjunction with the Order Handling and Best Execution Policy ("**Policy**") and with the asset class specific appendices set out in below sections.

1.2. You should be aware, having the best interest of our clients in mind, that we treat every client as a "retail client" as defined in MiFID II. Therefore there are no exceptions on how we apply our Best Execution Standards, as outlined in this document, that would depend on the client categorization.

1.3. MiFID II definition of retail clients refers to both natural persons -"Individuals"- and legal entities -"Business"-. The information within this Summary and the complete Order Handling and Best Execution Policy (including its appendices) is applicable both to Individuals and Business, except the Execution Policy Appendix for Cash Equities that is only relevant for Individuals.

1.4. For further information on your classification as a retail client please refer to our Description of Services, Financial Instruments and Related Risks document available [here](#).

### 2. Best Execution

2.1. We transmit all orders to a Third-Party Broker ("**Broker**"), who then executes the orders itself or places them with another broker for execution. All orders we receive are transmitted promptly and fairly and each transmission indicates that it is a transmission of an order received from our clients.

2.2. The broker is responsible for the execution of the received orders, and is obliged to execute them on the most favourable terms and in accordance with its respective Best Execution Policy. Where the broker does not have a Best Execution Policy or its Best Execution Policies standards would not meet the requirements set forth in MiFID II, we are enforcing our Best Execution Standards through legal arrangements with the broker, having your best interest in mind.

2.3. Whilst we are not ultimately responsible for the execution of orders, we take all necessary measures to obtain the best result for you. We have established numerous arrangements with the brokers that allow us to monitor, oversee and review the quality of the execution services provided by the brokers we have selected.

### 3. Execution Factors

3.1. Under the agreements we have with our brokers, when executing orders, they take following factors into account:

- **Price** – the fair price at which a Financial Instrument is executed
- **Costs** – all costs related to the order or transaction, including implicit costs such as the possible market impact, explicit external costs including exchange or clearing fees and explicit internal costs
- **Speed of execution** – the time it takes to execute the order or transaction
- **Likelihood of execution and settlement** – the likelihood that the broker will be able to complete the order or transaction
- **Size of the order** – the size of the order or transaction executed, accounting for how this affects the price of execution (typically only relevant for large transactions)
- **Any other considerations relevant to the execution of the order or transaction (for example market impact)** – how the particular characteristics of the order or transaction can affect how Best Execution is achieved

3.2. We assume that your primary wish is to achieve the best possible overall price (price of the financial instrument and all related execution costs), therefore we give the factors of price and costs relative priority over other factors. However, since financial instruments are usually subject to price fluctuations, we selected only brokers that are likely to execute your orders promptly.

**3.3. Shall you provide specific instructions in respect of your orders, for instance in respect of the price, it will take priority over our execution policy and will not be subject to the set out best execution policy and summary.**

### 4. Selection of Execution Venue per Trade

4.1. It is in the broker's discretion to choose the execution venue for transmitted orders, as long as the result will meet the standards and requirements set out in this summary and policy.

Having the best possible outcome in mind, the broker might execute the trades on trading venues (stock exchanges, Multilateral Trading Facilities or Organised Trading Facilities) and with other liquidity providers.

4.2. It is possible that in some cases the broker will serve as the execution venue for the submitted orders.

4.3. We are committed to regularly monitor and review the execution quality outcome achieved by our selected brokers, by comparing the execution details to market conditions, through the perspective of the above mentioned execution factors. We reserve the right to offboard brokers not meeting our best execution requirements and to request selected brokers stop trading on execution venues which we deem to consistently underperform.

4.4. If an order concerns a bespoke Financial Instrument, the broker will execute the transmitted order outside of Trading Venues, which is called Over-The-Counter ("OTC") trading, or via an intermediary. You will explicitly consent to executing your orders OTC when you agree to the Terms & Conditions.

4.5. Fractions of shares, exchange traded funds (ETFs) and American depositary receipts will be executed by the broker against its own proprietary account.

## 5. Selected Brokers and the Selected Execution Venues

5.1. A selection of Brokers and Execution Venues per asset class can be found on our website. We reserve the right to add or remove Brokers and Execution Venues as deemed appropriate in order to obtain the best possible result for you. We select only Brokers that combine high quality service standards with effective Best Execution arrangements in order to obtain Best Execution on a consistent basis. The Best Execution standards of the Brokers selected may lead to OTC execution.

5.2. Further information can be found in the Best Execution Policy section below. We maintain the current Top 5 Execution Venues and Brokers (in terms of volume and value per asset class in the past year) [here](#).

## 6. Monitoring, Review and Update

6.1. We are reviewing the summary, policy and asset class appendices on an annual basis, unless material changes impacting the Best Execution Standards will occur.

6.2. Similarly, the Top 5 List of Brokers and Execution Venues report is reviewed annually or whenever material changes occur.

6.3. All versions of the summary, policy, asset class appendices and Top 5 Execution Venues and Brokers report will be available [here](#).

## 7. Order Aggregation and Partial Execution

7.1. When transmitting your orders to brokers for execution, we do not aggregate them with the orders from other clients.

7.2. In certain scenarios, including situations where the assets market liquidity is too low, your order might be executed only partially. This means that just a portion of your initial order will be submitted to execution. The overall cost of the transaction will be also proportionally lower.

## Order Handling and Best Execution Policy

This Order Handling and Best Execution Policy ("**Policy**") sets out in detail how Revolut Securities Europe UAB ("**we**", "**us**", "**our**", "**RSEUAB**") is handling Client ("**yours**", "**you**", "**yourself**") orders in order to meet the Best Execution requirements as defined in the Markets in Financial Instruments Directive 2014/65/EU ("**MiFID II**").

### 1. Scope and Purpose

1.1. This Policy lays out in depth our approach to how we handle orders to obtain consistently the best possible results for you when we provide the investment service of "execution on behalf of clients". You should read it carefully and in conjunction with the asset class specific appendices set out in below sections.

1.2. The financial instruments the policy applies to are:

- Transferable securities and their fractions
- American Depository Receipts and their fractions
- Units in Collective Investment Undertakings and their fractions

1.3. You should be aware, having the best interest of our clients in mind, that we treat every one of our clients as a "retail client" as defined in MiFID II. Therefore there are no exceptions on how we apply our Best Execution Standards that would depend on the client categorization. For further information on this topic please refer to our Description of Services, Financial Instruments and Related Risks document available on the [website](#).

1.4. MiFID II definition of retail clients refers to both natural persons -"Individuals"- and legal entities -"Business"-. The information within this Policy (including its appendices) and the Summary is applicable both to Individuals and Business, except the Execution Policy Appendix for Cash Equities that is only relevant for Individuals.

1.5. For further information on your classification as a retail client please refer to our Description of Services, Financial Instruments and Related Risks document available here.

## 2. Best Execution

2.1. We transmit all orders to a Third-Party Broker ("**Broker**"), who then executes the orders itself or places them with another third-party broker for execution. All orders we receive are transmitted promptly and fairly and each transmission indicates that it is a transmission of an order received from our clients. The complete and final details of any transactions under the transmitted order will become known to us only when the broker will confirm back to us.

2.2. We will not conclude any agreements with any parties to buy, sell or borrow financial instruments belonging to you.

2.3. The broker is responsible for the execution of the transmitted order, and is obliged to execute them on the most favourable terms and in accordance with its respective Best Execution Policy. Where the broker does not have a Best Execution Policy or its Best Execution Policies standards would not meet the requirements set forth in MiFID II, we are enforcing our Best Execution Standards through legal arrangements with the broker, having your best interest in mind.

2.4. Whilst we are not ultimately responsible for the execution of orders, we take all necessary measures to obtain the best possible result for you. We have established numerous arrangements with the brokers that allow us to monitor, oversee and review the quality of the execution services.

2.4.1. **Vendor Due Diligence and Oversight** - we undertake an initial due diligence review of the brokers in accordance with our Outsourcing Policy, part of which includes a review of the Vendor's Best Execution Policy, Procedures and Processes to ensure that they have arrangements in place to consistently obtain best execution results. In addition, Service Level Agreements ("SLAs") are in place setting out agreed minimum service levels across various execution criteria of the execution services quality. These SLAs are monitored on an ongoing basis.

2.4.2. **Regular Reports** - each selected broker is required to undertake diligence on its respective order flow. The review is undertaken regularly via its respective Best Execution Committee, and the results are shared with us, including any changes proposed to existing Policies and Procedures thereafter.

2.4.3. **Audit Rights** - within our agreements, we retain the right to audit the selected brokers (within notice requirements, where required).

2.4.4. **Best Execution Oversight** - on a monthly basis our senior management gathers to discuss the results of the Best Execution analysis undertaken via our execution and transaction monitoring tool. In addition, this Oversight Group reviews the Best Execution Reports from selected brokers and discusses emerging trends and results of execution quality. This Oversight Group is also responsible for discussing any escalation matters and incident management in respect of any issues with respect to execution quality arising from SLA reviews and results from monitoring.

## 3. Execution Factors

Under the agreements we have with our brokers, when executing orders, the brokers take following factors into account:

- **Price** – the fair price at which a Financial Instrument is executed
- **Costs** – all costs related to the order or transaction, including implicit costs such as the possible market impact, explicit external costs including exchange or clearing fees and explicit internal costs
- **Speed of execution** – the time it takes to execute the order or transaction
- **Likelihood of execution and settlement** – the likelihood that the broker will be able to complete the order or transaction
- **Size of the order** – the size of the order or transaction executed for, accounting for how this affects the price of execution (typically only relevant for large transactions)
- **Any other considerations relevant to the execution of the order or transaction (for example market impact)** – how the particular characteristics of the order or transaction can affect how Best Execution is achieved

We assume that your primary wish is to achieve the best possible overall price (price of the financial instrument and all related execution costs), therefore we give the factors of price and costs relative priority over other factors. However, since financial instruments are usually subject to price fluctuations, we selected only brokers that are likely to execute your orders promptly.

**Shall you provide specific instructions in respect of your orders, for instance in respect of the price, it will take priority over our Policy and will not be subject to the set out Policy and summary.**

## 4. Lifecycle of the Order

4.1. Placing orders takes place via the Revolut app and Revolut website <http://www.revolut.com> (hereinafter together referred to as - **"App"**). Orders shall be submitted by selecting the '+Buy/-Sell' buttons.

4.2. We are registering all orders we are receiving. The orders placed via the App are registered automatically in our books and records, which meet the legal requirements of a durable medium. The system immediately captures, in chronological order, the following data about the orders placed via the App:

- date and exact time of the order;
- client identification data;
- financial instruments identification data in relation to placed order;
- order instruction (buy, sell, etc.);
- order type.

4.3. You will have the option to cancel your orders in the App by hitting the "Cancel" button next to the order which shall be cancelled. However, the "Cancel" button will be available only until

the order is transmitted for execution. Generally, all orders will be transmitted for execution immediately after the placing, thus order cancellation option will be very limited in time. There is also no different method for cancellation of orders, other than via the App. Once the "Cancel" button is hit, you will receive a warning describing the consequence of such cancellation with the option to either reject or accept it. Once the cancellation request is accepted by you, the order will be deemed as not placed and will not be transmitted for execution. Information on the cancellation of the order will be provided in the App and sent by email.

**Placed orders that are not executed may not be edited otherwise than by cancellation of the placed order and placing a new one.**

4.4. The orders will be transmitted to brokers for execution, except for the Orders in relation to which refusal to transmit applies (as described in point 5.1.). The orders will be transmitted in a sequence of their receipt and exactly in the content as placed by you.

4.5. Once the selected broker sends to us a confirmation about the execution of the order, we will cascade the information back to you promptly in the App. You will have access to all confirmations in a designed page within the App.

4.6. We are also taking responsibility for overseeing and facilitating the settlement of orders executed by the brokers for all orders placed through our App. As such we ensure that funds and/or financial instruments subject to the order are promptly and correctly delivered to the appropriate account. This is ensured through implementation of legal and operational arrangements entered between us and the selected brokers.

4.7. Orders placed after the market hours, will be transmitted to brokers on the next day and will be sought to be executed once that market opens, at which point the price of the relevant instrument may have moved. Orders placed outside of market hours may be cancelled at any time before the opening of the relevant exchange.

## 5. Refusal to Transmit

5.1. We have established a non-exhaustive list of situations in which we will refuse transmission of orders for execution. They are also part of our Terms and Conditions which you will be required to consent to in order to become our client.

5.2. The non-exhaustive list is indicated in section 26 of our [Terms and Conditions](#).

## 6. Execution Risks

6.1. You should be aware of below risks in relation of executing financial instruments:

6.1.1. **Slippage** refers to the risk of a difference that might appear between the expected price of a trade when the order is submitted and the price at which the trade is executed. We monitor timing and price of trades through our automated monitoring tools and review third-party execution reports to identify trends, together with other execution factors and take necessary steps to address weaknesses in controls, however we cannot guarantee the best possible result

for clients for each trade (although we take all sufficient steps to obtain that), especially in circumstances of increased liquidity, market movements and other stress scenarios outside our control.

6.1.2. **Gapping** refers to the risk of the price of a security opening above or below the previous day's close price with no trading activity in between. There can be instances of a significant market movement, for instance after a news announcement or economic event, between the close and re-opening of a market, which can have a significant impact on the execution of a pending order. You should be aware of the risks associated with volatility especially at or near the close/ opening of a standard trading session.

6.1.3. **Trading Outages** can arise from either technical failures, malfunctions, connectivity issues or other events of similar nature. We have SLAs in place to ensure and monitor system uptime and escalation processes in place where SLAs are not met.

## 7. Selection of Execution Venue per Trade

7.1. It is in the broker's discretion to choose the execution venue for transmitted orders, as long as the result will meet the standards and requirements set out in this Policy. Having the best possible outcome in mind, the broker might execute the trades on trading venues (stock exchanges, Multilateral Trading Facilities or Organised Trading Facilities) and with other liquidity providers.

7.2. It is possible that in some cases the broker will serve as the execution venue for the submitted orders.

7.3. We are committed to regularly monitor and review the execution quality outcome achieved by our selected brokers, by comparing the execution details to market conditions, through the perspective of the above mentioned execution factors. We reserve the right to offboard brokers not meeting our best execution requirements and to request selected brokers stop trading on execution venues which we deem to consistently underperform. Some of the measures we undertake are:

- Daily review of alerts generated by our transaction monitoring tool, which highlight instances where there is a suspicion of a breach against our Best Execution Standards
- Direct escalation to relevant brokers in the event of a confirmed breach against our Best Execution Standards
- Monthly Oversight Group meetings as outlined in Point 2.4.4.
- Monthly meetings with selected brokers in order to analyse and discuss the achieved execution quality

7.4. If an order concerns a bespoke Financial Instrument, the broker will execute the transmitted order outside of Trading Venues, which is called Over-The-Counter ("OTC") trading, or via an intermediary. You will explicitly consent to executing OTC when you agree to the Terms & Conditions.



7.5. Fractions of shares, American depositary receipts and exchange traded funds will be executed by the broker against its own proprietary account.

## 8. Selected Brokers and the Selected Execution Venues

8.1. A selection of Brokers and Execution Venues per asset class can be found on our [website](#). We reserve the right to add or remove Brokers and Execution Venues as deemed appropriate in order to obtain the best possible result for you. We select only Brokers that combine high quality service standards with effective Best Execution arrangements in order to obtain Best Execution on a consistent basis. The Best Execution standards of the Brokers selected may lead to OTC execution.

8.2. We maintain the current Top 5 Execution Venues and Brokers (in terms of volume and value per asset class in the past year) [here](#).

## 9. Monitoring, Review and Update

9.1. We are reviewing the Summary, Policy and asset class appendices on an annual basis, unless material changes impacting the Best Execution Standards will occur.

9.2. Similarly, the Top 5 List of Brokers and Execution Venues report is reviewed annually or whenever material changes occur.

9.3. All versions of the Summary, Policy, asset class appendices and Top 5 Execution Venues and Brokers report will be available [here](#).

## 10. Order Aggregation and Partial Execution

10.1. When transmitting your orders to brokers for execution, we do not aggregate them with the orders from other clients.

10.2. In certain scenarios, including situations where the assets market liquidity is too low, your order might be executed only partially. This means that just a portion of your initial order will be submitted to execution. The overall cost of the transaction will be also proportionally lower.

# Execution Policy Appendix for Cash Equities

This Appendix provides further guidance on the application of the Best Execution Policy ("**Policy**") in respect of Shares, Exchange Traded Funds ("**ETFs**") and American Depositary Receipts ("**ADRs**").

## 1. Policy Applicability

1.1. The Policy applies to this Appendix in its full extent, therefore you should read this Appendix in conjunction with the Policy.

## 2. Order Handling

2.1. You will be able to submit orders for all the in-scope financial instruments via the App as outlined in Point 4 of the Policy.

2.2. When we will be executing trades as part of a portfolio management mandate, the financial instruments in-scope are ETFs. The orders will be submitted to selected brokers for execution, which are obliged to execute them in compliance with the above Policy in its full extent. Further arrangements in respect of portfolio management are outlined in the Robo-Advisor Agreement which can be found on our [website](#) (Investment Services).

## 3. Execution Factors

3.1. The execution factors considered and the relative priority assigned remains as outlined in Point 3 of the Policy.

## 4. Selected Brokers

4.1. The selection of brokers for the in-scope financial instruments is done in accordance with Point 2 of the Policy.

4.2. In respect of stocks listed in the USA, we utilise the broker DriveWealth LLC (DriveWealth), a US broker-dealer registered with the Securities and Exchange Commission (SEC) and a member of Financial Industry Regulatory Authority (FINRA) and Securities Investors Protection Corporation (SIPC).

4.3. In respect of ADRs we utilise the broker DriveWealth LLC (DriveWealth), a US broker-dealer registered with the Securities and Exchange Commission (SEC) and a member of Financial Industry Regulatory Authority (FINRA) and Securities Investors Protection Corporation (SIPC).

4.4. In respect of ETFs, including ETFs executed as part of Robo-Advisor, we utilise the broker Upvest GmbH, a German broker registered and supervised at the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

4.5. In respect of stocks listed in the European Economic Area (EEA) we utilise the broker Upvest Securities GmbH, a German broker registered and supervised at the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

4.6. We maintain the current Top 5 Execution Venues and Brokers (in terms of volume and value per asset class in the past year) [here](#).

## 5. Execution Venues

5.1. The selection of execution venues by the broker is done in accordance with Point 7 of the Policy.

5.2. In some instances, the selected brokers will serve the purpose of an execution venue.

5.3. Fractions of the in-scope financial instruments will be executed against the respective brokers proprietary account.

5.4. In some instances, in order to accomplish the best possible results for you, the broker might execute your orders Over-The-Counter, in the meaning outside of regulated markets.