

**Part I - Bank of China Limited, Singapore Branch Best Execution General Disclosure**

**1. Introduction**

In general, best execution for you, as a customer of Bank of China Limited, Singapore Branch ("**BOCSG**", the "**Bank**" or "**we**" or "**our**" or "**us**")' is achieved when your orders are executed on best available terms. This Best Execution General Disclosure (the "**Disclosure**") provides an overview of the factors considered by us to achieve best execution for you as our customer.

BOCSG has a general fiduciary duty to act honestly, fairly, professionally and in the best interest of you as our customers. The following considerations listed below are some of the considerations the Bank will take to obtain the best possible result when executing your orders. If we become aware of any conflict of interest arising from the execution of any order, we will act in a fair and professional manner to manage any such conflict that may arise. Before placing and executing your order, the Bank will share this Disclosure with you. To the extent that you continue to maintain your trading relationship with BOCSG and/or proceed to place an order with BOCSG, it will be on the basis that you have read and understood this Disclosure.

This Disclosure is issued pursuant to the Monetary Authority of Singapore ("**MAS**") Notice on Execution of Customers' Orders [Notice No. SFA 04-N16] ("**Best Execution Notice**"); and the MAS Guidelines to MAS Notice SFA 04-N16 on Execution of Customers' Orders [Guideline No. SFA 04-G10] ("**Best Execution Guidelines**").

You should read and understand this Disclosure so that you can make an informed decision when you place an order with BOCSG.

**2. Scope of this Disclosure**

**2.1. Customer**

This Disclosure will be applicable to you if you are placing your order with BOCSG in your capacity as a Retail customer or a Corporate customer. This Disclosure will be applicable for all Accredited Investors or Expert Investors, **other than** Institutional Investors.

**2.2. Orders and Quotes**

BOCSG is required to adhere to this Disclosure when we are carrying out the following activities:

- Receiving and transmitting your orders;
- Executes orders on your behalf; or
- Quoting prices to you.

**2.3. Product Scope**

This Disclosure is applicable to Capital Market Products ("**CMP**") that falls within the MAS definition under the Securities and Futures Act ("**SFA**"). BOCSG is licensed to deal in CMP that are:

- Securities;

- Units in a Collective Investment Scheme (“CIS”);
- Exchange-Traded Derivatives Contracts; and
- Over-The-Counter Derivatives Contracts.

Spot foreign exchange contracts are not in scope of the Best Execution requirements as they are not caught within the ambit of the SFA.

#### **2.4. Capacity**

BOCSG is required to adhere to this Disclosure in our capacity as a Principal, an Agent or both.

### **3. Application of Best Execution Factors**

Best Execution is the process whereby BOCSG seeks to obtain the best possible result for you when placing and/or executing your orders. The best possible result is determined in terms of total cost, taking into account not only the price of the financial instrument but also all expenses incurred by you, which are directly related to the execution of the order. The best possible result will vary as BOCSG must take into account a range of execution factors and determine its priorities, as described below.

#### **3.1. Execution Factors**

BOCSG considers the following as important execution factors for our customer when executing an order:

- Price
- Costs
- Speed
- Likelihood of execution and settlement
- Size and nature of the Customer’s orders
- Any other considerations as may be relevant to the placement and/or execution of the order.

#### **3.2. Considerations Affecting Execution**

In determining the relative importance and/or the applicability of the different execution factors mentioned above, the Bank will be considering the following (in no order of importance or priority) based on the facts and circumstances of each situation:

- Types of customer - for e.g.:
  - Retail and Corporate customer whom may be Accredited Investor, Institutional Investor or Expert Investor.
- Types and Characteristic of CMP – for e.g.:
  - Listed or unlisted
  - Vanilla or complex
- Types and Characteristic of customer’s order – for e.g.:
  - Size of order
  - Market Order or Limit Order
- Availability and Liquidity of execution venues and brokers – for e.g.:
  - Single or multiple venues
  - Facing a trading venue, counterparties, broker, or an issuer
- Knowledge of Market Condition/Information
- Availability of market data and quotes

BOCSG will determine the relative importance of the execution factors by using our commercial judgement and experience in light of the market information available and taking into account the execution criteria.

#### **4. Specific Instruction**

Where there is specific instruction(s) provided by you in relation to an order (for e.g. relating to a specific price etc), BOCSG will strive to follow these instructions in its execution when carrying out your order. If we are not able to meet your specific instruction pertaining to a specific execution venue/broker, we will inform you before any trade.

When BOCSG places and/or executes an order following specific instruction(s) from you, BOCSG would be regarded as having satisfied its best execution obligations under the MAS Best Execution Notice and Best Execution Guidelines, in respect of the part or aspect of the order to which your instruction(s) relate. If there are no specific instruction(s), BOCSG will endeavor to place/execute your order(s) in accordance with this Disclosure.

#### **5. Execution Venues**

In carrying out customers' orders, BOCSG deals with a number of execution venues such as follows:

- BOC Head Office
- BOCSG's dealing counterparties in regulated markets
- BOCSG's panel brokers and execution brokers
- Directly via regulated exchanges or trading platforms
- BOCSG's own market making and trading desks

BOCSG strives to select the execution venue or brokers that is able to achieve best execution for its customers. However, this is subject to availability of the execution venues and brokers to BOCSG (e.g. markets, counterparties or brokers which it can access).

#### **6. Handling of Comparable Orders**

In general, BOCSG endeavors to ensure that comparable orders are placed and/or executed according to its time of receipt, where preference will be given on sequential basis. BOCSG considers comparable orders to be orders of the same instrument in standard lots / sizes. There may be exceptions where it is not feasible or not in the best interest of customers to execute comparable customers' orders in accordance with time of receipt, such as when executing large orders in tranches or amalgamating orders for execution.

#### **7. Monitoring**

To ensure that its best execution policy is carried out consistently and effectively, BOCSG performs periodic monitoring on the key requirements of our best execution policy.

#### **8. Supplementary Information**

This Disclosure is effected upon date of publish and will be reviewed regularly.

This Disclosure may be updated from time to time and Customers should always request and rely on the latest version of the BOCSG Best Execution Disclosure.

## **Part II - Bank of China Limited, Singapore Branch Best Execution Specific Disclosure**

### **9. Treasury Business**

**(To be read by customers of BOCSG Treasury Business)**

This General and Specific Disclosure will **NOT** be applicable to you if you are an Institutional Investor.

Treasury Staff are licensed to deal in CMP that are Securities and Over-The-Counter Derivatives Contracts.

As our Treasury Business Trade Positions are required by our Head Office to be squared off with them, the Branch is unable to offer a secondary execution venue (unless clearly stipulated by our Head Office) and hence, our Treasury Staff are not able to offer or provide a Best Execution.

Notwithstanding the above, Treasury Staff do endeavor to quote a fair price and endeavor to adhere to the BOCSG Best Execution General Disclosure where possible.

### **10. Private Banking (“PB”) Business**

**(To be read by customers of BOCSG Private Banking)**

PB Staff are licensed to deal in CMP that are Securities, Units in CIS and Over-The-Counter Derivatives Contracts to our PB customers whom are Accredited Investors.

Private Banking staff will endeavor to adhere to the BOCSG Best Execution General Disclosure where possible.

### **11. Retail Banking Business**

**(To be read by customers of BOCSG Retail Banking (including Prestigious Wealth Management)):**

Retail Banking Staff are licensed to deal in CMP that are Securities, Units in CIS and Over-The-Counter Derivatives Contracts to our Retail Banking and Prestigious Wealth Management customers.

In the case of a CIS, MAS recognizes that the underlying investors of the CIS would generally expect the CIS to be accorded Best Execution by the Fund Management Company or REIT Management Company. As such, the Best Execution requirements will only apply to the Fund Management Company or REIT Management Company when they place or execute an order for a CIS. Hence, in this regard, the Retail Banking Staff when dealing with retail customers in CMP that are Units in CIS, would generally have met the Best Execution requirements.

For Retail Banking Staff when dealing with retail customers (including Prestigious Wealth Management) in CMP that are Securities and Over-The-Counter Derivatives Contracts, they will adhere to the BOCSG Best Execution General Disclosure.