



**Mizuho Securities (Singapore) Pte. Ltd.**  
**("MHSS")**

## **Order Execution Policy**

Document owned/coordinated by:  
Compliance

## 1. Purpose

Mizuho Securities (Singapore) Pte. Ltd. (“MHSS”, “we”, “us” or “our”) as a holder of capital markets services license regulated by the Monetary Authority of Singapore (“MAS”) is required to comply with the SFA 04-N16 Notice on Execution of Customers’ Orders and SFA 04-G10 Guidelines to MAS Notice SFA 04-N16 on Execution of Customer’s Orders, as amended from time to time.

MHSS is required to have in place arrangements that are commensurate with the nature, scale and complexity of its business to obtain the best available terms when placing or executing or both, as the case may be, client orders in all capacities in which MHSS is acting in, whether agent or principal, for purchase or sale of any capital market products<sup>1</sup> where certain conditions apply (“Best Execution”).

This document provides information regarding MHSS’s Order Execution Policy (the “Policy”), which sets out our approach to discharging the Best Execution obligation owed to our clients (“client” or “you”). Our approach is current from the date listed at the beginning of this Policy and shall supersede any prior notification or statement we have made in relation to Best Execution.

## 2. Scope

This Policy does not apply to clients that are classified by MHSS as an Institutional Investor (“II”), as defined under Section 4A of the Securities and Futures Act 2001, as amended from time to time.

Best Execution is owed to a client when MHSS places or executes or both, as the case may be, client ‘orders’ for purchase or sale of any capital market products if the client is not classified by MHSS as an II. This includes the following circumstances:

- Where we transmit orders to third parties for execution on behalf of clients.
- Where we otherwise agree to provide best execution.
- In quote driven markets where we determine in accordance with the “Four-Fold Test” (as defined below) that the clients are likely to be relying on MHSS to provide best execution under a principal trade.

### *2.1 Applicability of best execution*

For clients dealing with us as an Accredited Investor (“AI”) or Expert Investor (“EI”), both as defined under Section 4A of the Securities and Futures Act 2001, as amended from time to time, a duty of Best Execution is owed only if we have determined that you are placing a legitimate reliance on us. We will assess the nature and relevant circumstances of the particular transaction, including the following non-exhaustive list of factors (referred to as the “Four-Fold Test”):

- **Which party initiates the transaction** - where we approach the client and suggest entering into a transaction, it is more likely that the client will be placing reliance on us. Where the client initiates the transaction, it is less likely that the client will be placing reliance on us;
- **Market practice and the existence of a convention to ‘shop around’** - where the practice in the market in which a business area operates suggests the client takes responsibility for the pricing and other elements of the transaction (e.g. there is a market convention to “shop around” for a quote), it is less likely that the client will be placing reliance on us;
- **The relative levels of price transparency within a market** - if we have ready access to prices in the market in which we operate, whereas the client does not, it is more likely that client will be placing reliance on us, whereas if our access to pricing transparency is equal or similar or to our client, it is less likely that client will be placing reliance on us; and
- **Disclosure made to clients that no best execution is provided** - where we explicitly disclose to clients that best execution is not provided after we collectively considered above assessment

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<sup>1</sup> As defined in the Securities and Futures Act 2001, as amended from time to time

criteria, if the client chooses to execute the transaction, it is clear that they will not be placing reliance on us to achieve best execution.

Our current business model means that a duty of Best Execution does not usually apply to the business we undertake with you. Nevertheless, we still have an obligation to consider when an obligation of Best Execution is owed and have monitoring and governance controls in place to achieve this.

In circumstances where MHSS is a principal to the transaction with the client, notwithstanding how the reliance factors above apply to quote-driven wholesale markets, MHSS shall still provide Best Execution in those markets if specific circumstances require it. For instance, MHSS shall provide Best Execution where clients are not in a position to shop around for a price due to the size of a transaction or where there is likely to be little or no price transparency available to the clients. Independent of the Best Execution obligation, MHSS is still required to offer clients a fair price and also manage any conflicts of interest that may arise.

Any other Mizuho Group entity which accepts an order on behalf of an MHSS client is also responsible for ensuring Best Execution is provided to the client, in accordance with the regulatory requirements to which it is subject.

### **3. Definitions**

Not applicable.

### **4. Maintenance of This Document**

This document shall be reviewed in accordance with Mizuho's standard review frequency for policies and procedures or where required, sooner following trigger events relating to legal, regulatory or business reason.

### **5. Summary of the Policy**

The order execution arrangements implemented by MHSS in its Policy are designed to obtain the best possible execution result where we have determined that Best Execution applies in relation to an order and are summarized below.

#### ***5.1 Execution Factors***

Where Best Execution obligation applies and in the absence of any specific instructions from the client, we shall consider, if relevant, the following factors ("Execution Factors") listed below. Notwithstanding this, there are certain situations in which the relative importance of these factors will change in response to the instructions that clients provide.

- a) Price
- b) Speed of execution
- c) Likelihood of execution
- d) Size and nature of the order
- e) Speed of settlement
- f) Likelihood of settlement
- g) Costs
- h) Other aspects of the order

#### ***5.2 Relative Importance and/or the applicability of Execution Factors***

We take into account the following criteria for determining the relative importance of the Execution Factors:

- a) The characteristics of the client, including the categorization of the client;
- b) The characteristics of the client order;
- c) The characteristics of the capital markets products that are the subject of that order;
- d) The characteristics of the execution venues or brokers to which that order can be directed.

Whenever there is a specific instruction from clients, we will execute the order following the specific instruction – see section 3.4 impact of a specific instruction below.

### ***5.3 Execution Venues***

#### Types of Execution Venues

In meeting the obligation to take sufficient steps to obtain the best possible execution result, we may use one or more of the following venues:

- Trading venues which include third party trading platforms;
- Mizuho and its affiliates where we internalize the orders (either on a risk pricing basis or as back-to-back principal); and
- Market makers and other liquidity providers.

From time to time, we may review the performance of the execution venues and third-party brokers / dealers to ensure that they are able to continue satisfying the Best Execution obligation. If their performance is not up to our standard, we may consider using alternative execution venues and third-party brokers / dealers.

#### Single Execution Venue

For some financial instruments, there may only be one possible execution venue. In executing an order on behalf of client in such circumstances, we will be deemed to have provided Best Execution by executing the order on that execution venue.

### ***5.4 Specific Instructions***

When MHSS places and/or executes an order following specific instructions from the client, subject to our legal and regulatory obligations, MHSS would be regarded as having satisfied its Best Execution obligations only in respect of the part or aspect of the order to which the client's instruction relates.

A specific instruction may include the venue on which the client wants an order executed, the price at which an order should be executed, or the time or period of time over which the client wants the order executed irrespective of the price. If we are not able to follow client instructions, we will not accept that order.

It should be noted that any specific instructions provided by clients may therefore prevent us from taking steps that we have designed and implemented in our Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

Where the specific instructions relate to only part of the order, MHSS shall apply its Policy to those aspects of the order not covered by the specific instructions.

### ***5.5 Third-Party Brokers, Dealers and Affiliates***

Where MHSS enters into transactions over-the-counter (OTC) as principal such that MHSS acts as both the counterparty and execution venue, MHSS does not transmit nor pass an order received from a client to a Mizuho affiliate or a third-party broker / dealer.

In instances where MHSS does not act as either the counterparty and/or execution venue, MHSS may transmit or pass an order received from a client to a Mizuho affiliate or a third-party broker / dealer in order to execute orders on execution venues to which MHSS does not have access. When we do this, we will be under an obligation to take sufficient steps to obtain the best possible result for clients by ensuring that the Mizuho affiliate or the third-party broker / dealer has arrangements in place to provide Best Execution. On an ongoing basis, MHSS monitors the quality of execution received from the Mizuho affiliates and third-party brokers/dealers it uses.

### ***5.6 Order priority***

MHSS shall place or execute or both, as the case may be, orders of clients fairly and in the order in which they are received according to time and price priority. Any specific client instruction and market condition may however influence the time at which MHSS handles and executes a client order.

## **6. Monitoring and Review**

### ***6.1 Monitoring Program***

MHSS will monitor and review the effectiveness of the Policy and associated order execution arrangements on a periodic basis, to ensure that Best Execution is provided consistently and to identify and implement any appropriate enhancements where applicable.

### ***6.2 Responding to Client Enquiries***

In the case of any client queries in relation to order execution, MHSS will refer to this Policy and our sales coverage representative will provide follow up and/or necessary information relating to the order execution at our discretion.

## **7. Notification to Clients of MHSS's Order Execution Policy**

MHSS publishes the latest version of its Order Execution Policy for clients on <https://www.mizuhogroup.com/asia-pacific/securities/singapore> and such Policy may be updated from time to time to address changing regulatory, industry and other applicable developments.

If clients have any queries or concerns regarding this Policy, they should contact their MHSS sales coverage representative.