



**CSL STOCKBROKERS LIMITED**  
A MEMBER OF FCMB GROUP PLC

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# **Best Execution Policy**

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**V4. September 2022**

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**CSL Stockbrokers Limited**

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## **A. Introduction**

CSL Stockbrokers Limited ("CSLS") is regulated by the Securities and Exchange Commission Nigeria ("SEC"), a Trading Licence Holder (TLH) of Nigerian Exchange Group ("NGX") and a Participating Institution of NASD OTC Securities Exchange ("NASD")

This Policy has been developed in compliance with the rules of SEC and the NGX and in line with global best practices.

## **B. Duty of Best Execution**

When executing orders (including receiving and transmitting orders for execution) on your behalf, CSLS will take all reasonable steps to achieve "best execution" of your orders. This means that CSLS has systems, policies and procedures that are designed to obtain the best possible result for your orders, subject to and taking into consideration any specific instructions from you, the nature of your orders and the nature of the market(s) and securities(s) concerned.

CSLS' commitment to provide you with "best execution" does not mean that it owes you any fiduciary responsibilities over and above the specific regulatory obligations placed upon it or as may be otherwise contracted between you and the firm.

## **C. Scope of Policy**

CSLS owes a duty of best execution when it "executes orders on your behalf". It will be executing orders on your behalf where you legitimately rely on it to protect your interests in relation to the pricing or other aspects of the transaction that may be affected by the choices made by CSLS when executing the order. For example, this will be the case when CSLS:

- a. executes an order by dealing as agent;
- b. executes an order by dealing as riskless principal on behalf of a client; and
- c. "works" an order on a client's behalf.

As such, CSLS will not be "executing orders on your behalf" where you approach it for a 'request for quote', i.e. when you contact CSLS and ask for a quote for a particular

transaction or where it publishes a quote and you transact with CSLS on the basis of that quote.

Where you provide CSLS with a specific instruction in relation to your entire order or any particular aspect of your order, CSLS will execute the order in accordance with your instructions. However, please note that where you provide CSLS with a specific instruction this may prevent it from following some or all of the steps that are designed to obtain the best possible execution. In following your instructions CSLS will be deemed to have taken all reasonable steps to provide the best possible result in respect of the order or aspect of the order covered by your specific instructions.

#### **D. Execution Factors**

In the absence of any specific instructions from you, the firm will take into account the following factors ("Execution Factors") when executing an order on your behalf:

- a. Price;
- b. Speed of execution;
- c. Size of order;
- d. Likelihood of execution and settlement;
- e. Costs (including cost of structuring products, cost of capital, processing and legal costs);
- f. Nature of your order;
- g. Any other relevant factor (including market liquidity, availability of market information and market volatility).

#### **E. "Execution Criteria"**

- a. Your characteristics (e.g. a retail or a institutional investor/professional counterparty);
- b. The nature of the order which you have given us;
- c. The characteristics of the relevant financial instrument; and
- d. The characteristics of the execution venues to which your order can be directed (including the ability of the venue to manage complex orders, the creditworthiness of the venue and the quality of any related clearing and settlement facilities).

The above Execution Factors are listed in the order of importance that will normally be applied to an order that CSLS executes on your behalf. However, it may change the order

of importance assigned to the Execution Factors if, in its opinion, you will receive a better execution result.

## **F. Specific Client Instructions**

Where you give us a specific instruction as to the execution of an order, CSLS will execute the order in accordance with those specific instructions. Where your instructions relate to only part of the order, we will continue to apply our order execution policy to those aspects of the order not covered by your specific instructions.

You should be aware that providing specific instructions to CSLS in relation to the execution of a particular order may prevent it from taking the steps set out in our order execution policy to obtain the best possible result in respect of the elements covered by those instructions.

## **G. Order Execution Process**

Below are the basic processes followed towards the execution of an order:

### **a. Foreign and Institutional Client Trade Orders**

- i. The Sales Trading Team receives the trade mandate and confirms the order with the Client.
- ii. If a buy mandate, the Sales Trader passes it across to our brokers for onward execution in line with client's order.
- iii. If a sell mandate, the Sales Trader contacts the Client's custodian to confirm availability and release of shares.
- iv. Once the shares are released by the Client's custodian from the special account with the Central Securities Clearing System, we execute the order in line with client's mandate.
- v. On execution of sale or purchase mandate the Client is advised within a reasonable time after market closure and a contract note is issued before close of business.

### **b. Retail Client Trade Orders**

- i. Retail clients submit their trade mandate forms to our customer service representatives, through our web portal, or electronically via e-mail.

- ii. The mandates are submitted to the Jobbing Unit to ensure there are sufficient funds (for purchases) or shares (for sales) to cover the transaction.
- iii. Upon completion of the Jobbing process, the Jobbing Unit passes the day's trade orders to the brokers for execution in line with the client's order.
- iv. On execution of sale or purchase mandate the Client is advised within a reasonable time after market closure and contract note is issued before close of business the following business day.

CSLS will monitor the effectiveness of its order execution arrangements on an ongoing basis to identify and implement any appropriate improvements and will undertake a review of the Best Execution Policy on at least an annual basis. CSLS will notify you of any material changes to the above description of its order execution arrangements and the Policy.

#### **H. Consent**

CSLS is required to obtain your consent to the Best Execution Policy. By giving an order to CSLS, you confirm your acceptance of this Policy.