

Notes Accompanying MIFID II RTS 27 Reports

By: THE BANK OF NEW YORK MELLON, LONDON BRANCH (LEI: HPFHU00Q28E4N0NFVK49) ("BNYM")

For the Period: 1 July 2020 to 30 September 2020 inclusive ("Q3 2020")

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A. Purpose of this document

This document ("Notes") provides material information on the reports published by BNYM on quality of execution of transactions for Q3 2020 ("Reports") pursuant to Commission Delegated Regulation (EU) 2017/575 and article 27(3) of Directive 2014/65/EU, as implemented in the Conduct of Business Rules of the Financial Conduct Authority (collectively, "MIFID II RTS 27"). The Reports published by BNYM on <https://bnymellon.com/RiD> shall be read in conjunction with these Notes.

B. Scope

In Q3 2020, BNYM has acted as an execution venue to its clients only in respect of currency derivatives. The Bank of New York Mellon is a global bank with branches in various major financial centres including London. An order, quote or transaction was determined to be "in scope" for the purposes of the Reports if the relevant client facing staff providing execution services was located in London and as such BNYM was deemed to be the execution venue for the purposes of such order, quote or transaction ("In Scope Data"). However, the Reports do not include orders, quotes or transactions with certain wholesale FX markets participants that have interacted with BNYM's FX Trading Desk on a negotiated basis. Further, the nature of certain currency products that BNYM offers to clients may mean that the data points contained in the Reports are not directly comparable with the data points contained in equivalent reports of other currency derivative execution venues.

The Reports include relevant data under table 9 pursuant to Article 8 of MIFID II RTS 27 which applies to request for quote execution venues which BNYM operates. BNYM has determined that there are no relevant data for tables 7 and 8 pursuant to Article 7 of MIFID II RTS 27 which applies to continuous auction order book and continuous quote driven execution venues which BNYM does not presently operate.

With respect to certain values in tables 3, 4 and 6: (i) "price" is expressed as the rate that 1 unit of the first currency of the currency pair listed in the "Currency" field of the relevant table 2 ("First Currency") can be converted into the second currency of the currency pair listed in the "Currency" field of table 2 ("Second Currency"); (ii) "transaction size", "total value executed" "total value of transaction executed" and "median transaction size" are expressed in the First Currency; (iii) "volume-weighted transaction price" and "median transaction size" are calculated based on notional value of transactions expressed in the First Currency, and (iv) "median size of all orders or requests for quote" may be calculated and expressed in the First Currency or Second Currency.

C. Data Quality / Exclusions

There may be data quality issues with respect to the "Failed Transactions" values in table 1 however, BNYM does not believe that such issues would have a material impact on the Reports.

In light of Question 20 of 28 March 2019 of ESMA Questions and Answers on MiFID II and MiFIR investor protection and intermediaries topics, please note that In Scope Data do not currently include transactions concluded on trading venue pursuant to the pre-trade transparency waivers in Articles 4 and 9 of MiFIR. The inclusion of such information is scheduled for the end of 2020.