
MiFID II: RTS 28 Qualitative Commentary – GSIB 2020

Equities – Shares & Depositary Receipts

Goldman Sachs International Bank (GS) does not undertake client executions in this Asset Class.

Debt instruments

(i) Bonds

Goldman Sachs International Bank (GS) does not undertake client executions in this Asset Class.

Bonds

(ii) Money Market instruments

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Interest Rate Derivatives

(i) Futures and options admitted to trading on a trading venue

Goldman Sachs International Bank does not undertake client executions in this Asset Class.

Interest Rate Derivatives

(ii) Swaps, forwards, and other interest rates derivatives

Goldman Sachs International Bank does not undertake client executions in this Asset Class.

Credit Derivatives

(i) Futures and options admitted to trading on a trading venue)

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Credit Derivatives

(ii) Other credit derivatives

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Currency Derivatives

(i) Futures and options admitted to trading on a trading venue

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Currency Derivatives

(ii) Swaps, forwards, and other currency derivatives

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Structured Finance Instruments

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Equity Derivatives

(i) Options and Futures admitted to trading on a trading venue

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Equity Derivatives

(ii) Swaps and other equity derivatives

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Securitized Derivatives

(i) Warrants and Certificate Derivatives

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Securitized Derivatives

(ii) Other Securitized Derivatives

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Commodities derivatives and emission allowances Derivatives

(i) Options and Futures admitted to trading on a trading venue

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Commodities derivatives and emission allowances Derivatives

(ii) Other commodities derivatives and emission allowances derivatives

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Contracts for Difference

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

Goldman Sachs International Bank does not undertake client executions in this Asset Class

Emissions Allowances

N/A – Emission Allowances will be addressed under the MiFID II Commodity and Emission Allowances report.

Other Instruments

N/A - There are no instruments that fall into this category in 2018

SFTs

1. Topic 1: an explanation of the relative importance the firm gave to the execution factors of **price, costs, speed, likelihood of execution** or any other consideration including qualitative factors when **assessing the quality of execution**:

We consider that best execution is generally owed in respect of agency securities lending transactions save where we understand that the client is not placing reliance on us (for example, where the client has provided specific instructions as to the elements of the transaction).

Agency securities lending transactions are those where we act as agent for our client which wishes to lend its securities to borrowers in the market under agreements that our client is a party to as principal with those other counterparties. As these transactions are bilateral, the accompanying Top 5 venues report will represent the top 5 borrowers based on the best execution factors described below.

We consider that the best execution factors for this type of transaction are different to transactions in other financial instruments because of the nature of the transaction as an ongoing collateralized transaction which is not settled to the market daily. To the extent we determined we had a best execution for a particular transaction, the ranking of the execution factors was typically as follows:

1. Price
2. Quality of the collateral
3. Stability of the borrow
4. Operational efficiency and reliability
5. Creditworthiness of the counterparty

“Price” in this context means the rate which the client will receive for the loan of its securities. “Stability of the borrow” means the likelihood of the counterparty wishing to return the borrow. “Operational efficiency and reliability” means the likelihood of a failure in terms of settlement, the posting of margin or processing of corporate actions. The remaining execution factors – likelihood of execution, costs, speed, transaction size, nature of the transaction and other considerations to the extent relevant to the efficient execution of the client’s transaction - were generally given equal ranking.

Note that where a client provided specific instructions in respect of the securities lending transaction, the duty of best execution did not apply in respect of aspects of the transaction covered by those specific instructions.

2. Topic 2: a description of any **close links, conflicts of interests, and common ownerships** with respect to any **execution venues** used to execute orders;

N/A

3. Topic 3: a description of any **specific arrangements** with any **execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received**;

N/A

4. Topic 4: an explanation of **the factors that led to a change in the list of execution venues listed** in the firm’s execution policy, if such a change occurred;

N/A

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5. Topic 5: an explanation of how **order execution differs according to client categorisation**, where the firm treats categories of clients differently and where it may affect the order execution arrangements;

GS only acted as agent only for transactions between professional clients and/ or eligible counterparties. Under applicable law and regulation GS is not obliged to provide best execution when it executes orders on behalf of eligible counterparties.

6. Topic 6: an explanation of whether **other criteria were given precedence over immediate price and cost** when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;

Not applicable.

7. Topic 7: an explanation of **how the investment firm has used any data or tools relating to the quality of execution**, including any data published under RTS 27

N/A

8. Topic 8: where applicable, an explanation of how the investment firm has used output of a **consolidated tape provider** established under Article 65 of Directive 2014/65/EU.

N/A