

MiFID II Costs & Charges Disclosure – Convertible Bonds

Convertible Bonds ex ante disclosure

The Convertible Bonds business comprises of the trading of Bonds that the holder can convert into a specified number of shares of common stock in the underlying stock or cash of equal value.

Price formation

Price formation for Convertible Bonds comprises the following elements:

The instrument price (which is the mid price) is formed by taking into account factors including the following: observable market prices, executed transactions, historical client supply and demand levels, other market data, internal models and observable trade flows.

In cases where the execution price deviates from the original quote, and it has not been possible to capture the difference between the mid-price and execution price, we will base the costs and charges on a historical mid-price and execution price difference, at an instrument level, and these will be validated against internal analytics including client crossing metrics. The purpose of this is to avoid providing you with potentially misleading costs and charges disclosures.

Cost and Charges

Unless notified otherwise:

- Costs and charges for Convertible Bonds are embedded in the final price received by the client.
- Other ad-hoc charges may apply where a client requests bespoke trade features and these would be discussed at the point of execution.

Third Party Market Fees & Taxes

In some cases, Barclays is obliged to pass costs and charges to clients on behalf of third parties. These do not represent a cost or charge levied by us although we are obliged to collect them on behalf of the relevant government agency, or they are a straight pass through of the fees charged by other participants to the trade. These include, but are not limited to:

- Financial Transaction Taxes or related execution fees collected on behalf of National Tax Authorities, Regulators or Venues (e.g. UK Stamp Duty Reserve Tax, UK PTM Levy, Italian Financial Transaction Tax, Italian HFT Tax, French Financial Transaction Tax, Irish Stamp Tax, South African Securities Transfer Tax, Greek Sales Tax, Greek Transfer Fee, Irish PTM levy).
- Stock Buy in/settlement failure penalties.
- Venue/MTF Fees where client is not charged directly by the Venue.