



RTS 28 ANNUAL REPORT INFORMATION ON THE QUALITY OF EXECUTION OBTAINED

CANADIAN IMPERIAL BANK OF COMMERCE
YEAR ENDED 31ST DECEMBER 2020

30th April 2021

1. Introduction

Article 27(6) of the Markets in Financial Instruments Directive 2014/65/EU requires “investment firms who execute client orders to summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where they executed client orders in the preceding year and information on the quality of execution obtained.”

The Commission Delegated Regulation (EU) 2017/576, more commonly known as Regulatory Technical Standard 28 (“RTS 28”), specifies in Article 3(3) the information which should be included on the quality of execution obtained.

This report provides information on the quality of execution obtained by the Canadian Imperial Bank of Commerce (“CIBC”) during 2020 when executing orders on behalf of clients. It should be read in conjunction with the ‘CIBC London Order Execution Policy’ and the relevant ‘top five execution venues’ tables.

2. Scope & interpretation

In line with the ‘CIBC London Order Execution Policy’:

- This report covers services provided by CIBC in the UK. Trades executed by CIBC in other regions are excluded;
- The scope of this report is limited to orders executed on behalf of clients. It therefore only includes trades for which CIBC owed best execution to its clients during the year;
- CIBC trades in a riskless principal capacity in Equity Markets and typically expects to owe best execution to its clients in such circumstances;
- CIBC trades in a principal capacity in other instrument classes so best execution will only be owed to the extent that the client is placing legitimate reliance on the firm;
- CIBC is not licenced to provide services to Retail clients in the UK so the report covers all orders executed on behalf of Professional clients.

Annex 1 of RTS 28 lists twenty-two classes of financial instruments. During the year CIBC executed orders on behalf of Professional clients in eleven of those classes, as well as four classes of instrument from a Securities Financing Transactions (“SFTs”) perspective. The information provided below therefore relates to those classes only.

CIBC has determined that the concept of passive and aggressive orders only applies where an order is sent to a venue running an order book. When CIBC trades in a principal capacity, CIBC has concluded that the absence of an order book results in no information being required in RTS 28 table 2 regarding whether the order is passive or aggressive. In addition, in Equity Markets CIBC transmits all orders for execution on North American exchanges to its affiliate CIBC World Markets Inc. CIBC does not face the exchange so no passive or aggressive order information is available.

When CIBC trades in a principal capacity, clients are not able to direct the firm to execute the order on another venue. CIBC has therefore concluded that the concept of a directed order in RTS 28 table 2 is not applicable to such activities.

3. Equities: Quality of execution obtained

During the year CIBC executed orders on behalf of Professional clients in the following classes of equity instruments:

- Equities – Shares & Depositary Receipts
 - Tick size liquidity bands 5 and 6 (from 2000 trades per day)
 - Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)
 - Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)

All of the Professional client orders executed during the year were in shares for which the primary market places are North American exchanges. All orders for North American listed shares received by CIBC are executed via CIBC World Markets Inc, the CIBC group's Canadian broker dealer which is a member of a range of North American exchanges. Clients of CIBC send orders to the firm in North American listed shares in the knowledge that all orders will be executed via CIBC World Markets Inc. CIBC has therefore concluded that all equities orders are directed to CIBC World Markets Inc for execution. In this scenario, the information prescribed in RTS 28 Article 3(3) is not applicable.

4. Non-equities: Quality of execution obtained

During the year CIBC executed orders on behalf of Professional clients in the following classes of financial instruments:

- Debt Instruments
 - Bonds
 - Money markets instruments
- Interest Rate Derivatives
 - Swaps, forwards and other interest rate derivatives
- Currency Derivatives
 - Futures and options admitted to trading on a trading venue
 - Swaps, forwards and other currency derivatives
- Structured Finance Instruments
- Equity Derivatives
 - Swaps and other equity derivatives
- Commodities Derivatives and Emission Allowances Derivatives
 - Other commodities derivatives and emission allowances derivatives

CIBC transacts in a principal capacity in these instrument classes. The only execution venue is therefore the firm itself. In this scenario, the information prescribed in RTS 28 Article 3(3) is not applicable.

5. SFTs: Quality of execution obtained

During the year CIBC executed orders in SFTs on behalf of Professional clients in the following classes of financial instruments:

- Equities – Shares and Depositary Receipts
 - Tick size liquidity bands 5 and 6 (from 2000 trades per day)
 - Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)
 - Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)

- Debt Instrument
 - Bonds

CIBC transacts in a principal capacity in these instrument classes. The only execution venue is therefore the firm itself. In this scenario, the information prescribed in RTS 28 Article 3(3) is not applicable.

Canadian Imperial Bank of Commerce (CIBC) is a bank incorporated in Canada pursuant to the Bank Act (Canada) with its Head office at Toronto, Canada and with a registered branch in the United Kingdom at 150 Cheapside, London EC2V 6ET (London Branch). CIBC is supervised and regulated by the Office of the Superintendent of Financial Institutions Canada, London Branch is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation authority.

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