

**TRADEWEB EXECUTION SERVICES LIMITED
MIFIDPRU DISCLOSURE
YEAR ENDED 31 DECEMBER 2022**

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Introduction

Tradeweb Execution Services Limited (‘the **Company**’) is authorised and regulated by the Financial Conduct Authority (‘**FCA**’) since 2000 and has firm reference number 921372. The Company’s immediate parent company is TWEL Holding LLC, which is a limited liability company formed in the USA wholly-owned by Tradeweb Markets LLC (‘**Tradeweb**’). Within the meaning of the Companies Act 2006 London Stock Exchange Group plc is regarded as the Company’s ultimate parent company and controlling party.

This document sets out the Investment Firm Prudential Regime public disclosure as set out in MIFIDPRU 8 of the FCA’s handbook. Disclosure is made on an individual basis as at 31 December 2022. Unless there is a major change to the Company’s business model or a merger has taken place, this document is updated and published on Company’s website on an annual basis.

The Company is permitted to apply proportionality to provide a level of detail in its qualitative disclosure that is appropriate to its size and internal organization and activities. Information disclosed in this document has not been audited by the Company’s external auditors and cannot be relied upon in making any decisions on the Company unless at your own risk.

Risk management objectives and policies

The Company has assessed material risks to its business as part of its Internal Capital Adequacy and Risk Assessment Process (‘**ICARA**’) and has set out appropriate actions to manage them. In particular, the Company has identified all material risks through scenario analysis and has assessed whether or not it would be appropriate to hold capital against those risks and / or whether or not to implement alternative risk mitigation. The ICARA is owned by the Company’s Head of International Compliance and is updated annually or when there is a material change to the business, whichever is earlier. The ICARA forms a key part of the formal risk assessment and monitoring process and the Company’s risk management processes are considered to be adequate given the nature and complexity of the business in compliance with SYSC.

The Company has implemented a ‘three lines of defence’ model for the risk management:

1. The first line of defence comprises the business leaders, including product management and technology management. Each of these individuals is responsible for proactively identifying risks related to their business lines and implementing procedures to mitigate them.
2. The second line of defence includes the Company’s functional teams such as enterprise risk management team, regulatory compliance and information security teams, as well as the governance committees described above. The second line of defence ensures the efficiency of the Company’s risk management, works to keep the Company within the Board of Directors’ (‘**Board**’) risk appetite, and monitors compliance with applicable regulatory requirements. International Risk Committee (‘**RiskCo**’) meets regularly to support the senior management team and the Board to achieve these objectives.
3. Tradeweb’s Internal Audit department serves as its third line of defence. The Head of Internal Audit has a dual reporting line, functionally to the Audit, Risk and Conduct Committee (‘**ARCC**’) of Tradeweb Markets Inc. and administratively through the CFO. Internal Audit provides risk-based and objective assurance, advice and insight. Internal Audit’s Charter and Plan are approved by the Audit Committee. Additionally, Internal Audit reports relevant scope and results to senior management and internal governance committees within Tradeweb.

Management's philosophy influences the way the Company is managed, including the Company's risk appetite and the types of business risk accepted. In addition to the Board and RiskCo meetings, the firm's management meet on a regular basis and discuss key controls and performance measurements.

The Company's board of directors has agreed that its risk appetite should align with the Tradeweb's enterprise risk appetite, which is defined by Tradeweb's Senior Management through the RiskCo. Generally, Tradeweb has an overall conservative approach to risk appetite. The Company acts in accordance with this risk appetite statement to achieve strategic objectives and remain a pre-eminent trading application provider.

Business leaders take risk management seriously and consider risks in its material business decisions. Head of each material business unit is responsible for identifying risks within their respective area(s) as the first line of defence, and escalating these where appropriate to the relevant business-level risk committee. Escalated risks are collated and key risks and themes are reported as appropriate to RiskCo, which meets regularly to discuss and identify significant risks affecting the Company as a whole, and to recommend and/or track appropriate risk mitigation plans as the second line of defence. ARCC then meets regularly or as needed to discuss and review the key risk themes, for example:

- significant risks potentially affecting the business;
- regulatory changes and their potential impact on the business;
- reviewing and maintaining the ICARA
- the findings of the company's external auditors;
- the findings of the retained internal auditors;

ARCC makes recommendations to the Board based on the outcome of any material matters that arise from its work, and is also responsible for communicating relevant outcomes from its meetings to the members' (and other) teams within Tradeweb.

Governance arrangements

The firm is required - under SYSC Rule 4.1.1 - to have robust governance arrangements, including a clear organisational structure, effective risk identification, management, monitoring and reporting processes, and international control mechanisms.

The Board comprises of executive and non-executive directors and is ultimately responsible for the Company's overall risk appetite and management, and for maintaining an appropriate internal control framework, responsibility for risk management is delegated to the ARCC, which in turn is supported by RiskCo, chaired by the Head of International Compliance. Directors are appointed from within the Company or wider group, having regard to their individual and combined knowledge, diversity, skills and experience to effectively direct and oversee the Company.

The Company maintains high ethical standards in conducting company affairs and in its relationships with customers, suppliers, employees, advisors and the community; it expects a high level of integrity from its employees and the persons who represent the Company. The Company has various policies, including diversity statement, in place to promote employee integrity and adherence to ethical values and management expects all employees to maintain high moral and ethical standards.

The Company is required to disclose the number of directorships (executive and non-executive) held by each member of the Board.

Director	Role	Number of directorships
Enrico Bruni	Managing Director	2
James Dale	Managing Director	2

Own funds

The Company is required under MIFIDPRU to disclose compositions and deductions of own funds and its reconciliation to capital in the balance sheet in the audited financial statements ('AFS'). Information below is extracted from the audited financial statements for the year ended 31 December 2022.

The Company's own funds consists of fully paid up capital, retained earnings and other reserves.

Composition of regulatory own funds			
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	1,424	
2	TIER 1 CAPITAL	1,424	
3	COMMON EQUITY TIER 1 CAPITAL	1,424	
4	Fully paid up capital instruments	1,400	Balance sheet of AFS
5	Share premium	-	
6	Retained earnings	24	Balance sheet of AFS
7	Accumulated other comprehensive income	-	
8	Other reserves	-	
9	Adjustments to CET1 due to prudential filters	-	
10	Other funds	-	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-	
19	CET1: Other capital elements, deductions and adjustments	-	
20	ADDITIONAL TIER 1 CAPITAL	-	
21	Fully paid up, directly issued capital instruments	-	
22	Share premium	-	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
24	Additional Tier 1: Other capital elements, deductions and adjustments	-	

25	TIER 2 CAPITAL	-	
26	Fully paid up, directly issued capital instruments	-	
27	Share premium	-	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	
29	Tier 2: Other capital elements, deductions and adjustments	-	
Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements			
		Balance sheet as in audited financial statements	Cross- reference to own fund composition
		As at 31 December 2022	
		GBP thousands	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1	Cash and cash equivalents	1,318	
2	Debtors	250	
3	Total Assets	1,568	
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
1	Creditors – current	-144	
2	Total Liabilities	-144	
Shareholders' Equity			
1	Called up share capital	1,400	Item 4
2	Profit and loss account	24	Item 6
3	Total Shareholders' equity	1,424	

Own funds requirements

The Company's own funds is calculated in accordance to the requirements set out in MIFIDPRU 4.3 which is the minimum capital required to be held by the Company. A summary of K-factor requirements and fixed overheads requirement as of 31 December 2022 is disclosed below.

Requirements	GBP thousands
Sum of K-AUM, K-CMH and K-ASA	-
Sum of K-COH and K-DTF	2
Sum of K-NPR, K-CMG, K-TCD and K-CON	23
Fixed overheads requirement	25

The Company assesses the adequacy of the own funds through ICARA. Under the process of updating ICARA own funds is reviewed and revised in accordance to the Own Funds Adequacy Rule ('**OFAR**') which requires the Company to hold adequate amounts of own funds and liquid assets to ensure financial viability by addressing any material potential harms arising from ongoing activities or by minimizing harms to customers and participants during the wind down of Company's businesses.

Remuneration Policy and Disclosure

The Company has no employees in 2022.

---End of MIFIDPRU Disclosure---