



# Order Execution Policy

October 2024 V7



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## 1. GLOSSARY

**“ADGM”** shall mean the Abu Dhabi Global Market, the Financial Services Regulatory Authority of Abu Dhabi.

**“Company”** shall mean Key Way Markets Ltd incorporated in Abu Dhabi Global Market (ADGM) under Company Registration Number 000003041, licensed and regulated by ADGM Financial Services Regulatory Authority (License no. 190005) of the United Arab Emirates, having its registered address at Al Sila Tower, 21st Floor, Office No. 2, ADGM Square, Al Maryah Island, Abu Dhabi, UAE.

**“Commission fees”** shall mean the Commission charged by the Company, which depend on the Account Holders badge and is charged on every opening and closing position. Commission fee is automatically calculated according to the volume traded.

**“Financial Instruments”** shall mean the Financial Instruments offered by the Company which mainly include transferable securities (i.e. real stocks) and contracts for differences (i.e. CFDs) on various underlying assets.

**“FSRA”** shall mean the Financial Services Regulatory Authority, one of ADGM’s three independent authorities, tasked to support and supervise all financial activities.

**“Law”** shall mean the applicable Laws and Rulebooks issued by ADGM, and as amended from time to time.

**“Material Change”** shall mean a significant event that could impact the parameters of best execution such as, inter alia, price, cost, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

**“NAGA”** shall mean the Company’s trading name.

**“NBP”** shall mean the Negative Balance Protection, the limit imposed on a retail client’s aggregate liability for all CFDs connected to a CFD trading account opened with the Company and the funds in the said account. Clients will never be able to lose more funds than the amounts invested with us. Please note that there is no capital protection against market risk, credit risk or liquidity risk.

**“Policy”** shall mean the present document, the Company’s Order Execution Policy.



**“Trading Platform”** shall mean the trading platforms through which the Company offers its services, being the NAGA Trader, MT4 and MT5. It is noted that the same terms apply when offering the Company’s Services, irrespective of the Trading Platform through which orders are placed.

**“Spread”** shall mean the difference between the Bid and the Ask Price of a given Financial Instrument.

**“Swap”** shall mean the charge that is applied to all positions that are open overnight for the following trading day. Swap is charged every day, except weekends, where trading is not available. Depending on the Financial Instruments the Swap charge will be charged tripled on Friday or Wednesday to compensate the Swap charges for the following weekend. Swap is based on the prevailing market conditions and interest rates.

**“Website”** shall mean [www.naga.com/ae](http://www.naga.com/ae).



## 2. OVERVIEW

KEY WAY MARKETS LTD is required to take all reasonable steps to act in the best interest of its Clients when receiving and transmitting Client's orders. The Policy contains further details on our services and how our Trading Platform will execute the orders of the Clients. This is because the Company must ensure that sufficient steps are taken when receiving and transmitting orders for execution or executing orders from its Clients, in order to obtain the best possible result or the "Best Execution".

The Company executes Clients' Orders on Contracts for Differences ("CFDs") in stocks, commodities, indices, cryptos, bonds, exchange traded funds (ETFs), blends and currency pairs etc. Moreover, the Company receives and transmits Clients' orders in relation to Stocks (hereinafter the "Securities").

The Company acts as an agent with respect to Securities dealing trades with clients, which means that all Clients' Orders on Securities will be received and transmitted for execution to a third-party Execution Broker, that being EXT Ltd. EXT Ltd routes orders to the multilateral trading facility or third parties that can execute trades on stock exchanges by the prices of the stock exchange. All prices quoted by the Company are provided by NAGA Markets Europe Ltd and are indicative of the market price at which the Clients' Orders will be executed; execution of Clients' Orders will be arranged by EXT Ltd. The Company is authorised by the Financial Services Regulatory Authority as a Category 3A Firm (Financial Services Permission No 190005) and is permitted to conduct the following financial services: Dealing in Investments as Principal (on a Matched Principal basis) Dealing in Investments as Agent.

The Company receipts and executes each order placed by the clients through:

- a) NAGA Trader;
- b) Meta Trader 4;
- c) Meta Trader 5; and
- d) NAGA App.

Please be informed that the Policy is subject to the Company's Client Agreement and all other relevant agreements and/or documents and/or policies which will govern the contractual relationship between the Company and the Client. Therefore, you are strongly advised to read this Policy in full and in addition to the other documentation available in the Company's website, [www.naga.com/ae](http://www.naga.com/ae) prior to opening an account with the Company. Should you have any request



for clarification for information about the Policy, corresponding arrangements and their review process, please contact us at [support.ae@naga.com](mailto:support.ae@naga.com) or seek independent professional advice.

**WARNING:** The Company executes orders automatically, with minimal manual intervention. In addition to the provisions referring to the Client Agreement, the Company may execute any order, regardless of type, manually without notifying Clients in advance. This may occur in instances where THE COMPANY experience, for example, increased market volatility, illiquidity and infrequent price updates, a significant order size, as well as times where the system identifies abusive trading behavior and/or trades from multiple Client.

### 3. **SCOPE**

This Policy defines the principles that apply to the Company pursuant to the provisions of the applicable legislation/regulations/rulebooks issued by ADGM and/or FSRA. The Company acknowledges the importance of investor protection standards, all of which are designed to promote both market efficiency generally and the best possible execution results for investors individually. The scope of this Policy is to illustrate the compliance of the Company with the obligations to act in accordance with the best interests of its clients. The Company shall take sufficient steps to obtain the best possible result for their clients considering price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to order execution.

### 4. **APPLICATION**

This Policy is applicable to any orders placed with the Company, in respect of the financial instruments offered and to clients who are legitimately relying on the Company for the provision of the investment services offered by the Company.

Where there is specific instruction from the client, the Company shall execute the order following the specific instruction and compliance with that specific instruction will be treated as satisfaction of the best execution obligation. It is important for the client to note that specific instructions may prevent the Company from taking the necessary steps it has established in this Policy to obtain the best possible outcome for the execution of those orders in respect of the elements covered by those instructions.

**WARNING:** Specific instructions may prevent the Company from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the execution of those Orders in respect of the elements covered by those instructions. However, it should be considered that the Company satisfies its obligation to take all sufficient steps to obtain the best possible result for the Client.



## 5. YOUR CONSENT

The Company is required to obtain your consent prior to establishing a business relationship with you. By accepting the provisions of the Company's Client Agreement, you provide your prior express consent and further acknowledge that the transactions in financial instruments, entered with us are not undertaken on a recognized exchange, but rather through our trading platform on an over-the-counter basis ("OTC transactions"). Accordingly, you may be exposed to greater risks than when conducting transactions on a regulated exchange.

Therefore, the Company may not execute an order, or it may change the opening or closing price of an executed order in certain cases, including, but not limited to instances of a technical failure of the Trading Platform. You are then only allowed to close an open position in any given financial instrument during our platform's working hours and you can only close any such position(s) with us as your sole counterparty and thus you are subject to counterparty risk. In this respect, clients acknowledge that the transactions entered in CFDs with the Company are not undertaken on a recognized exchange, rather they are undertaken OTC and therefore should be aware that they may be exposed to greater risks (e.g. counterparty risk) such as the aforesaid execution venues' failure to execute the transactions. If the Client requires more information regarding the consequences of these means of execution, please contact us in one of the official contacting methods of the Company.

In addition to the above, by entering into the Client Agreement, you consent that your orders being executed in accordance with the Policy in force and amended from time to time. You further confirm and agree that the Company reserves the right to:

- a) immediately terminate your access to the trading platform(s) or Account(s); and/or
- b) refuse or cancel any order, in the event you voluntarily and/or involuntarily partake in arbitrage unrelated to market inefficiencies, including but not limited to, latency arbitrage and swap arbitrage and/or contrary to good faith. Under such circumstances, the Company may, at its discretion, close any of your Account(s) and recover any losses incurred from such practices; and/or
- c) immediately terminate your access to the trading platforms and/or recover any losses incurred in the event the Firm determines in its sole discretion that you voluntarily and/or involuntarily undertook to abuse the NBP offered by the Company, or in any way which is contrary to good faith or the terms of the Client Agreement between the Company and the Client either on an individual Account, or multiple Account(s) or multiple profiles and/or between one or more Client(s) of the Company in accordance with the 'Client Agreement'. For instance, a Client hedging his/her exposure utilizing his/her accounts under the same or



different Client profile would constitute an abuse of the NBP as well as a Client requesting a withdrawal of his/her Client Money -notwithstanding any of the provisions of the 'Client Agreement' when the symbol he/she is trading is not available for trading during that specific timeframe.

## **6. EXECUTION CRITERIA & FACTORS**

When executing orders on behalf of the client in relation to financial instruments, the Company shall take all reasonable steps to obtain the best possible results for its Clients, by taking into account the following factors, when dealing with Clients' Orders: price, need for timely execution, availability of price improvement, liquidity of the market which may make it difficult to execute an order, potential price impact, the size of the order, the nature of the financial transaction which will including whether or not such transactions are executable on a trading venue, Over-The-Counter, or via either route as well as the quality and cost effectiveness of any related clearing and settlement facilities.

The relative importance of the Best Execution Factors will principally be determined by reference to:

1. The characteristics of the Client including the categorization of the client as retail or professional or market counterparty.
2. The characteristics of the Client Order;
3. The characteristics of the Financial Instruments that are the subject of that Order;
4. The characteristics of the Execution Venue to which that Order is directed;

It must be noted that in the absence of specific instructions from its clients, the Company will exercise its own judgment, skill and experience by considering available market information when determining the factors that it needs to take into account for the purpose of providing the best execution to its clients. Therefore, when the Company execute an order for you, by default, will consider the factors listed below to be the most important. Notwithstanding this, there are certain situations in which the relative importance of these factors will change in response to the instructions that you provide.

The key factors and their relevant factors to be considered are as stated below:

### **Price – High Importance Level**

The Price refers to the resulting price of the transaction excluding our own execution charges, and it will usually be our most important consideration for both CFD and Real Stock orders.





After price, speed and likelihood of execution are usually deemed as our most important considerations. It must be noted that the Company has multiple liquidity and data providers providing us with their prices. The prices you will see on our trading platforms may differ from the prices you may see on other trading/charting platforms.

For any given CFD, the Company will present two prices: the higher price (ASK) at which the Client can buy (go long) that CFD, and the lower price (BID) at which the Client can sell (go short) that CFD. Collectively, the ASK and BID prices are referred to as the Company's price. The difference between the lower and the higher price of a given CFD is the spread.

Such orders as Buy Limit, Buy Stop and Stop Loss, Take profit for an opened short position, are executed at ASK price. Such orders as Sell Limit, Sell Stop and Stop Loss, Take profit for an opened long position, are executed at BID price.

The Company's prices can be found on the Company's website and/or trading platforms. The Company updates its prices as frequently as the limitations of technology and communications links allow.

The Company will not quote any price outside the Company's operations time (*see Execution Venues below*) therefore no orders can be placed by the Client during that time.

For any given Security available on the Company's Platform, the Company will present a buy and sell price. This quote is only indicative of the market price at which the client can Buy the Security or Sell their existing shareholding. Therefore, Clients' Orders may be executed at a different price than the quoted price or the last reported price at the time of Order entry.

This indicative price is obtained from third-party providers, who source their prices from a number of exchanges and other execution venues.

If the price reaches an Order set by you, the Order is automatically executed. In volatile markets, especially at or near the open or close of the standard trading session, execution may be at a substantially different price from the quoted price (please also refer to the "Slippage" explanation under point 6 of this Policy), or the last reported price at the time of Order entry. Volatile or illiquid markets may result in partial executions or execution of large Orders in several transactions at differing prices. Opening prices may differ substantially from the closing prices of the previous day.

\*The Company does not provide Direct Electronic Access as defined in the applicable legislations/regulations/rulebook issued by the ADGM and/or FSRA.



If the price reaches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop, these orders are instantly executed. However, under certain trading conditions it may be impossible not to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop) at the Client's requested price. In this case, the Company has the right to execute the order at the first available price. This may occur, for example, at times of rapid price fluctuations, if the price rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or this may occur at the opening of trading sessions. The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given CFD or Security, is specified under your Trading Agreement.

### **Market Impact – Medium Importance Level**

Market Impact entails detecting threats to the orderly operation of financial markets, including to reliability and transparency of their price formation process and tackling any behavior that may conclusively result in cascading market impact or large market impact in general.

In forming its execution strategy, the Company will always observe the standard of behavior normally expected in the market to which you direct your order. The Company will never take any action which may result in market distortion or give a misleading impression of trade volume or value of any financial instrument.

### **Speed of Execution – High Importance Level**

The Company does not execute Client Orders in CFDs and Securities as a principal to principal against the Client, i.e. the Company is not the Execution Venue for the execution of the Client's Order. The Company transmits Client Orders or arranges for their execution with a third party(ies). However, the Company places a significant importance when executing Client's orders and strives to offer high speed of execution within the limitations of technology and communications links. For instance, in cases where Clients are using a wireless connection or a dial up connection or any other communication link that can cause a poor internet connection then this may cause unstable connectivity with the Company's trading Platforms resulting in the Client placing his Orders at a delay and hence the Orders to be executed at better or worst prevailing price offered by the Company.

The Company interprets speed as the rate at which it is able to receive and execute your order. Therefore, where your instructions dictate or imply a rate at which the Company should process your order, the Company will follow your instructions unless it sees an immediate and substantial conflict with the price or other regulatory restraints. Where your instructions do not refer to speed, the Company will progress your order at a rate, which the Company believes that it



represents a balance between creating market impact and executing your order in a timely fashion to reduce execution risk. The factors affecting speed may include:

- a) Exchange or market-based servers;
- b) The Company's servers;
- c) Internet connectivity both in the side of the Client and the Company; and
- d) Client computer hardware and software.
- e) Likelihood of Execution and Size – High Importance Level

The Company transmits Orders for Execution or executes them with another party. The likelihood of execution of Clients' Orders on CFDs depends on the availability of prices of the market makers/financial institutions. The likelihood of execution of Clients' Orders in Securities depends on the relative liquidity of the venue available for execution. In some cases, it may not be possible to arrange for the execution of a Client's Order, for example but not limited in the following cases: during news times, trading session start moments, during volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price, upon restrictions that may be imposed from the liquidity provider of execution venue, a force majeure event has occurred.

In the event that the Company is unable to proceed with a Client's Order with regards to price or size or other reason, such order will be either rejected or partially filled. In addition, the Company is entitled, at any time and at its discretion, without giving any notice or explanation to the Client, to decline or refuse to transmit or arrange for the execution of any Order or Request or Instruction of the Client in circumstances explained in the Client Agreement.

In relation to Clients' Orders on Securities, the Company does not accept such orders outside the market hours of the relevant Security. All Securities are traded in accordance with the trading hours of the exchange on which the instrument is traded.

### **Cost – High Importance Level**

Every order in CFD products is eligible for Spread, Swap and Commission fees. The Swap and Commissions fees are not incorporated in the Company's quoted price and are instead deducted from the Client's balance. The Company monitors the Swap Fees at individual financial instruments level, with its liquidity providers to ensure that its Swaps does not permitted threshold.

Adding to the above, it must be noted that the costs related to commissions, costs and the fees that are charged for executing your order, include execution venue fees, clearing and settlement



fees and any other fees paid to third parties, such as financial intermediaries or market infrastructure entities. Where there is more than one competing venue to execute your order, costs will also include our own commissions and service fees. Finally, the Company will consider the slippage which is the difference between the executed price and the order price at the time the order is submitted for execution. Slippage is a normal and expected cost of trading, particularly for orders of larger size and during times of thin liquidity and/or volatile markets.

## **7. EXECUTION STRATEGY**

Once the Company has accepted your order, it will consider the execution factors in the context of the instructions that you have provided to form a suitable execution strategy. Under this execution strategy, the Company will take sufficient steps to obtain the best possible result for you by employing appropriate aspects of our execution arrangements. It must be noted that our execution strategy may result in us routing your order to one or more execution venues immediately or rather, releasing parts of your order gradually over an appropriate period of time. An example of the latter instance could be a large order in size and/or an illiquid contract, in which case speed would be deprioritized in order to be more passive within the market and to ensure there is not an unacceptable cost or price impact.

The Company will exercise its continuous discretion in assessing the elements that are required to be taken into account in order to provide its clients with the best possible result. Especially, the Company will look into the characteristics of you as our client, including your categorization, the characteristics of your order, the characteristics of financial instruments that are the subject of your order and the characteristics of the execution venues to which your order can be directed.

## **8. PRICE, COSTS AND ORDER HANDLING**

The Company derives its Buy/Sell prices for trading in CFD instruments it offers from its execution venues and executes all orders at market price received by the execution venue at the time of execution. Please note that, in relation to the Buy/Sell prices for Real Stock trading the prices presented in the Company's Platform are provided by Thomson Reuters for convenience and information only solely to assist you to make your own investment decisions., in this respect any price quoted may differ from the execution price you actually obtain. The Orders are routed to such venues considering the availability of instruments, the quality of execution, the costs as well as the quality of the feed. In situations of high volume and volatility, the Company shall check if the prices given to the clients are valid. Where a client receives an invalid price, the Company informs such client regarding the wrong execution and the trades are adjusted accordingly by either reopening, amending or cancelling such affected trades, accordingly.

It must be noted that the costs incurred by the clients involve the spread which is the difference between buy and sell, commission where applicable such as in CFDs on Equities, the swaps which is the fees for transferring positions from one day to the next and the conversion rates in



situations where the instrument's base currency is different than the account currency. Please check a detailed list on the Company's fees, charges and trading hours at the Company's website.

## **9. EXECUTION VENUES**

The Company uses other third-party institutions(s) as Execution Venues. Execution venues are the entities with which the orders are executed. For each class of financial instrument in which the Company executes orders on your behalf, the Company will choose among a range of options by which the Company will be able to obtain the best execution. Such venues will be appropriate for each product and may include regulated markets, multilateral trading facilities, organized trading facilities, systematic internalizers, market makers and other liquidity providers, including our affiliates acting as principal, or entities that perform a similar function to those performed by any of the foregoing in a third country. Selection of execution venues includes consideration of numerous factors such as:

- a) Price of Financial Instrument;
- b) Cost of execution;
- c) Speed of Execution;
- d) Capital Adequacy; and
- e) Regulatory Status.

Each of the above factors carries respective importance, as described herein. It is noted that the Compliance Function, including the Company's Risk Committee, are involved during the initial assessment and prior proceedings on a contractual agreement with a Liquidity Provider (i.e. LPs). The Company will look upon the liquidity and price offered, credit and settlement risk, realized performance which include latency, liquidity, price improvement, fill rates, pricing analysis, commercial positioning, market mechanism, resilience and reliability. Henceforth, the Company will select the execution venues which meet our obligation and purpose to take all sufficient steps to obtain a consistent basis for the best possible result for the execution of client orders.

The Company, at least on an annual basis, will publish on its website the top five execution venues in terms of trading volumes for all executed client orders during the preceding year per class of financial instruments together with information on the quality of execution obtained on such execution venues. It must be noted that the Company may choose to transmit clients' orders for execution to another broker or dealer, which can include both affiliate entities and/or third party brokers. In this case, the Company will either determine the ultimate execution venue ourselves on the basis described above and further instruct the other broker or dealer accordingly, or the Company will satisfy ourselves that the other broker or dealer has arrangements in place to enable us to comply with our best execution obligations to you. Finally, the Company will take



steps to not structure or charge our commissions in such a way as to discriminate unfairly between execution venues.

When the Company selects venues, it will do so either on a long-term basis, by choosing the venues to which it will maintain access or on a short-term basis. This selection will occur between venues which have access, the Company and which are the most appropriate to execute individual orders or any part of them. Simply, in selecting venues in the relevant jurisdiction, our approach is governed by the following factors such as price, cost and liquidity, credit and settlement risks involved, the realized performance and finally the speed of access, immediacy and likelihood of execution as explained below.

It is noted that currently the Company uses the following execution venues for the execution of clients' orders in CFDs (*retail, professional or market counterparty*):

- **NAGA Markets Europe Ltd** which is authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) under licence No. 204/13.
- **LMAX Exchange Ltd** which is a regulated firm by FCA with firm reference number 6505809.
- **Finalto Trading Ltd** which is a regulated firm by FCA with firm reference number 607305.
- **Broctagon Prime Ltd** which is regulated by CySEC under license 320/17.
- **Equiti Securities Currencies Brokers LLC** which is regulated by the Financial Services Authority of Seychelles under license number SD064.
- **IS Prime** is authorised and regulated by the Financial Conduct Authority (FCA), registration number 629586.

In addition to the above, for Real Stocks Trading the Company uses Saxo Bank A/S which is regulated firm by the Danish Financial Supervisory Authority as License No. 1149.

Price, cost, and liquidity are of high importance as the Company considers whether the venue provide is or is likely to provide, material opportunities to trade that may not exist within our existing portfolio of venues. Those opportunities may take the form of prices, which improve on those offered by our existing venues or the ability to trade significant additional size at similar prices to those offered on existing venues. The Company expects liquidity and price to be closely but not exclusively associated with the market share the venue commands. Please note that the fees that are charged to us by an execution venue or that arise from clearing and settling the trades executed on that venue, influence the costs incurred by our clients. Therefore, the Company may charge commission rates for execution that reflect both the cost of providing our own services and the costs that the Company may incur or expect to incur when it use external execution venues. In this case, the cost of execution associated with a particular execution venue will only be factor if the Company believe it will not be economically viable in the context of the



commission rates that it believe our clients are willing to pay. Where the cost of execution is separately compensated for, such costs will be considered together with our own commissions and the execution price.

Credit and settlement risks are also of high importance when deciding on the matter. The Company will not generally use a venue if it are notable to determine the obligations (both on us and our trade counterparty) either to settle a transaction or to resolve failed settlements.

Realized performance is again of high importance as the metrics gathered once it utilize a venue are subject to frequent review and, taken together, may influence the decision to retain or disqualify a venue from ongoing use. Metrics considered include but are not limited to the latency, liquidity, price improvement, the average ratio of the volume executed on our orders over the liquidity available at the time of sending the order according to the prevailing market data and pricing analysis. The metrics applied will depend on whether the venue operates by matching incoming orders with other orders and publishes pre-trade market data to the market that shows the prices of the orders resting on its order book.

Speed of access, immediacy and likelihood of execution have a medium importance when the Company makes its decision on this matter. This is because, the majority of European or United States markets operate at comparable speeds and this factor is therefore not usually an important differentiator for those venues' selection.

When the Company accepts an order from you and immediately sends that order directly to one or more execution venues or select to execute such order as principal, it chooses between multiple execution venues giving due regard to the following principles according to the type of order that the Company is trying to execute:

To start with, the Company will consider where an order has no limit price or is an order to buy in which the limit price is greater than or equal to the best offer price or an order to sell in which the limit price is less than or equal to the best bid price, our primary goal will be to achieve the best price/total consideration, followed by maximizing the speed and likelihood of execution;

Furthermore, where an order has a limit price, which does not meet the above criteria the Company consider that the price of the execution is set and our choice of venue will be determined by associated costs and maximizing both the speed and likelihood of execution; and

Finally, when choosing across a range of venues, which do not provide any pre-trade market data and execution prices of which are derived from the bids / offers published by execution venues providing such data our priority will be to maximize the speed and likelihood of execution whilst





also minimizing the chance that there are adverse price movements around the time of execution and execution costs.

Please be informed that, although the Company is committed to executing your orders in a way it considers the most suitable, when markets become excessively volatile, for example, at the open or close of the standard trading session, the execution of your orders may still be impaired by several factors. Such factors may include the substantial difference between the bid or offer price or the last reported sale price quoted at the time of order entry and actual execution price, the partial executions or execution of large orders in several transactions at different price, delays in executing orders through external market makers due to manual routing or execution, substantial deviation of opening prices from the previous day's close prices, possible locked such as the bid equals the offer or crossed such as the bid is higher than the offer market conditions, order imbalances and back logs due to investors placing high volume of orders and any pre-trade filters whether execution venues' or ours, result in orders with a large expected market impact are paused or traded using an algorithm potentially causing slippage from the expected arrival price.

#### **10. OTHER EXECUTION CONSIDERATIONS**

The Company may provide a currency conversion quote from the relevant financial instrument to your account's base currency. This will not be reflected as an actual currency conversion in the Client account, but only serves the purpose of indicating the valuation in the base currency.

Furthermore, when considering the size of an order, it must be noted that the minimum size of an order is 0.01 lots. The Company may place limits on maximum order sizes from time to time and reserves the right to decline an order as per our Client Agreement. It is noted that the Company will make every effort to fill orders irrespective of the volumes and this may be achieved at the 'best available price' and as per the available market liquidity at the time of execution.

Considering the above, the Company reserves the right to place a limit on the total net position value per client's profile, for a given instrument. Where this occurs, the Company will make all possible efforts within reason to provide you with prior notice. At this point, please be informed that the Company's Dealing Desk operates 24/5 from Monday through Friday and 07.00AM GMT to 03.00PM GMT on Saturday and Sunday. Holidays will be announced through the internal mail of the trading terminal supplied by the Company.

#### **11. RISK OF DEALING IN VOLATILE MARKETS**

Volatile markets result in rapid increases or decreases in the prices of assets traded on markets, price crashes and market meltdowns. Clients should be aware of the following risks associated with volatile markets, especially at or near the open or close of the standard trading session:





- a) Execution at a substantially different price from the quoted bid or offer or the last reported price at the time of order entry, as well as partial executions or execution of large orders in several transactions at different prices;
- b) Delays in executing orders for financial instruments that the Company must send to external market makers and manually routed or manually executed orders;
- c) Opening prices that may differ substantially from the previous days close;
- d) Locked (the bid equals the offer) and crossed (the bid is higher than the offer) markets, halted markets, limit up (buys halted)/limit down (sales halted) which may prevent the execution of client orders;
- e) Price volatility is one factor that can affect order execution. When there is a high volume of orders in the market, order imbalances and back logs can occur. This implies that more time is needed to execute the pending orders. Such delays are usually caused by the occurrence of different factors:
  - i. the number and size of orders to be processed;
  - ii. the speed at which current quotations (or last-sale information) are provide to the Company;
  - iii. the system capacity constraints applicable to the given exchange, as well as to the Company and other firms.

The Company is obliged to take necessary steps to keep an orderly market. Therefore the Company operates with “Compliance” order filters. Such Compliance order filters are also present at exchanges and other brokers that might be used by the Company to route the order to the designated market. The filters might result in orders with a large expected market impact to be paused or traded using an algorithm potentially causing slippage from the expected arrival price. the Company cannot be held liable for price slippage caused by acting to keep an orderly market.

## **12. TYPES OF TRADING ORDERS**

The particular characteristic of an Order may affect the execution of the Client’s Order. The Company would like to bring to your attention that, given the risks that arise when trading in financial markets, you may wish to consider using different types of trading orders to limit such risk. Please see below the different types of Orders that a Client can place. Note that the descriptions below may apply to some and not all types of financial instruments.

### **Market Order**

A market order is an order to buy or sell a financial instrument as promptly as possible at the prevailing market price. Execution of this Order results in opening a trade position. CFDs are bought at ASK price and sold at BID price. Securities are bought at BUY price and sold at SELL



price. With a market order, you may instruct you to execute a trade of a certain size as promptly as possible at the prevailing market price. Market orders are executed without regard to price changes. Therefore, if the market price moves significantly during the time it takes to fill your order, the order will most likely be executed at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If you place a market order in these markets, the Company will automatically translate the order to an aggressive limit order within a certain percentage limit “in the money”. You have responsibility to check if the order is traded in the market after order entry. If you experience or suspect any errors with the order contact us immediately.

### Limit Order

With a limit order, you set the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. By placing a limit order you give up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future. Limit orders may be routed to an exchange automatically.

### Stop Loss Order

A stop loss order is an order to buy or sell a financial instrument once the price of the instrument reaches a specified price, known as the stop price. When the stop price is reached, a stop order becomes a market order. A buy stop order is entered at a stop price above the current market price. A sell stop order is entered at a stop price below the current market price. A stop order is therefore a “sleeping” order until the stop price is reached or breached and sell stop orders are generally used to limit a loss or to protect a profit on a financial instrument. An important note here is that, in order to ensure stop orders are not filled at unreliable prices during short periods with abnormally wide bid/ask spreads caused by circumstances such as the release of key economic figures, the Company will implement spread filters preventing order execution when spreads exceed certain levels.

### Trailing Stop Order

The trailing stop order is a stop order as described above but the trailing stop price moves according to parameters you set in the order. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price. The Company may allow you to further customize the way your stop is triggered. You may change the trigger method to include or exclude certain trigger criteria based on your specific trading objectives.



For margin calculation purposes, the leverage level used will be the lower between the Account and the symbol traded. This applies to all our trading platforms. Please note that any changes made to your leverage on an Account that is already traded can immediately affect your open positions and may result in a stop-out.

Additionally, the Company offers NBP, as defined above, for its Retail Clients, further explained in the Company's Client Categorization Policy, available via the Company's website. For the purposes of this Policy, this means that Clients' losses will not exceed the Client's account balance.

### **Take Profit Order**

Take Profit order is intended for realizing the profit when the financial instrument price has reached a certain level. Execution of this order results in complete closing of the whole position. The Take Profit Order is always connected to an open position or a pending order.

The order can be requested only together with a market or a pending order. Under this type of order, the Company's trading platform checks long positions with Bid price for meeting of this order provisions (the order is always set above the current Bid price), and it does with Ask price for short positions (the order is always set below the current Ask price).

### **13. BEST EXECUTION MONITORING AND REVIEW**

The Company has policies, procedures and processes in place which aim to analyze the quality of execution, as well as to monitor best execution. The Company measures and monitors the competitiveness of our prices against other major competitors and the speed of our execution as well as monitors the symmetry of slippage and requotes. The Company has integrated a specialized monitoring tool which monitors transactions on a T+1 timeframe. Therefore, the Company can show aggregated results for more days and assist the Company to identify problems in its Best Execution in order to apply the necessary corrective measures to fix these deficiencies and shortfalls.

The specific tool employs data-driven quantitative approaches. The data are structured in a way that readily allows for analysis and consolidation. The data collected are also unbiased, allowing for direct comparisons of execution quality. The monitoring process is ongoing and repeated daily and the whole process is supervised by the Compliance Department of the Company. The Best Execution Monitoring system is not intended to ensure best execution, rather to monitor whether the arrangements made by the Company, result in their obligation to provide Best Execution to its clients.



The below table represents the main categories of the analyzed data used by the Company:

TYPE		COMMENTS
<b>Trade Suffered Slippage:</b>		% and number of Market Execution trades suffered slippage.
Positive:		% and number of Market Execution trades positive slippage.
Negative:		% and number of Market Execution trades negative slippage.
<b>Better Price</b>		Number of orders requoted with better price than the requested one.
<b>Worse Price</b>		Number of orders requoted with worse price than the requested one.
<b>Rejected Orders</b>		% of Rejected orders.
<b>Average Execution</b>	<b>Speed of</b>	Top 10 Symbols with words speed of execution. An indication of the industry average speed for each symbol is shown on the graph with a red thin line.
<b>Slippage Monetary</b>		The Profit VS Loss of the Company occurred from trades suffered slippage, in EUR.

The Company's Compliance Department performs additional independent reviews of the above processes and provide assurance as to their effectiveness or in the case of weaknesses provide suggestions for the improvement of the policies, procedures and controls in place. These reviews and assessments are conducted on a regular basis and at least annually or whenever a material change occurs that affects the Company's ability to continue obtaining the best possible result for our Clients' orders. The Compliance Department keeps records of the ongoing monitoring and reviews performed of the best execution, which can demonstrate our compliance with the best execution obligations to any Competent Authority.

Considering the above, where necessary, the Compliance Department will provide recommendations for improvements, which are then implemented with the aim of keeping the quality of execution to the highest standards. In instances where a material change to our execution arrangements and policy occurs, the Company will notify the Clients accordingly.

Additionally, the Company provides on a quarterly basis data relating to the quality of execution of transactions via the Company's website. For the execution venue used to execute orders, the



Company has no close links, conflicts of interest or common ownerships and IT shall not receive remuneration, discount or non-monetary benefit for routing client orders to liquidity providers or execution venues which would infringe the requirements on conflicts of interest or inducements. For more information you should refer to the Company's Conflicts of Interest Policy available within the Company's official website. Also, MiFID II does not provide limitations on the number of execution venues to be used for each class of financial instruments, where these are able to demonstrate best execution. As such, the Company shall publish a list of accessed execution venues and re-assess the market landscape on regular basis, to determine whether there are alternative venues that could be used by us to achieve better execution for clients to whom Best Execution applies. Finally, please note that using a single venue, does not diminish our responsibility to monitor the quality of execution provided, nor does it mean that merely executing client orders on that venue will allow for us to discharge our best execution obligations.

#### **14. PRICE ERRORS**

A "Price Error" means an obvious misquote by the Company, or any market, exchange, price providing information source or official on whom we reasonably rely, having regard to the market conditions at the time of a trade is place. When determining whether a situation amounts to a Price Error, the Company may consider all information in its possession including, without limitation, any information concerning all relevant market conditions and any error in, or lack of clarity of, as well as any information source or announcement.

When deciding as to whether a situation amounts to a Price Error, the Company will act fairly towards you but the fact that you may have entered into a corresponding financial commitment, contract or trade in relation to an order placed with the Company shall not be taken into account by us in determining whether there has been a Price Error. We reserve the right, without prior notice to:

- a) Amend the details of such order to reflect what we reasonably consider in our discretion, acting in good faith, to have been the correct or fair terms of such order if the Price Error(s) has not occurred.
- b) If you do not promptly agree to any amendment made which we propose under this clause [which we will notify you via the Website and/or Platform(s) or any durable medium through which you obtain information] we may void any transaction resulting from or deriving from a Price Error, such that the result is the same as if it had never been made; and/or
- c) Not take any action at all.

The Company may take any reasonable steps for any trades executed at prices resulting from a Price Error(s) (as defined herein), such as computer errors, misquotes or omissions, or at prices



that are clearly at odds with the fair market prices. Acting reasonably and in good faith, we may take the following actions to trades based on a Price Error:

- i. void trade.
- ii. close the trade at the current market prices; or
- iii. amend the opening and/or the closing price of the trade, as if it would have been executed in the absence of the Price Error.

The Company is not liable to you for any loss, cost, claim, demand or expense that you suffer (including loss of profits or any indirect or consequential losses) resulting from a Price Error, including where the Price Error is made by any information source or from our decision to do anything, except to the extent that it is caused by our own fraud, willful default, system error or gross negligence.

If a Price Error has occurred and we choose to exercise any of our rights under the clauses of the Client Agreement, and if you have received any monies from us in connection with the Price Error, those monies are due and payable to us with immediate effect, and you must return an equal sum to us without delay. We reserve the right to refuse any trades placed by you that we judge to be clearly outside the prevailing market price such that they may be deemed non-market price transactions, whether due to Price Error or stale, incorrect or broken price feeds.

## **15. AFFILIATES AND THIRD PARTIES**

The arrangements described in the Policy apply when one or more of the entities of the Company group handles the execution of your order itself. It is noted that, by using affiliated entities and third-party brokers, the Company can provide access to markets where it otherwise may not be able to execute or, where the Company believes it to be in your best interests, to address certain characteristics of your order. However, you should be aware of the potential difference in approach to execution standards where this is the case, whilst the Company retains our obligations regarding best execution, the execution of the transaction may be carried out by an entity, which is not subject to MiFID II. Where the Company engages either an affiliate or a third-party broker for order execution, the Company will act within the framework of Monitoring and Review. This means that the Company will carry out due diligence on that entity and will take steps to ensure that the entity is able to provide an appropriate standard of execution in the relevant market; and in future, it will monitor our executions with the broker to satisfy ourselves that they are providing appropriate standards of execution. The arrangements for selection, monitoring and reviewing the third-party broker shall be documented and supporting evidence recorded for the best benefit of the clients.



In relation to affiliates specifically, the Company believe that using affiliates provides benefits to clients such as consistency of order handling; governance and oversight processes and the transparency thereof; certainty of market access; and integrated technology, allowing more efficient communication and front to back trade processing; the Company acknowledges that the opportunity for potential conflicts of interest exists. The Company is committed to mitigating these to the extent possible and perform due diligence on its affiliates to at least the same standard as for a third-party broker. The Company also commits to monitoring the executions with affiliate entities to ensure that those affiliates indeed provide appropriate standards of execution.

#### **16. SELECTION PROCESS FOR HEDGING VENUES AND PRICE PROVIDERS**

The Company's selection process for liquidity and price providers includes detailed due diligence procedures, and diversification criteria, to avoid overreliance on the single provider and to ensure protection against data redundancy. The Company's liquidity providers and price providers are prioritized for each financial instrument according to their past performance in providing reliable service and best pricing and market depth.

The Company regularly reviews the overall quality of its order executions, and its price formation practices, including its liquidity and price feed' vendors and the available execution and hedging venues.

#### **17. PUBLICATION OF DATA ON EXECUTION VENUES AND DATA QUALITY OF EXECUTION AND TRANSACTIONS**

The Company publishes on its website information on the identity of executions venues and on the quality of execution, on an annual basis, and data on the quality of execution of transaction, on a quarterly basis. Clients can find the reports on the Company's website.

#### **18. RECORD KEEPING**

For the purpose of this Policy, the Company shall maintain all records related to prices for individual financial instruments shown on its Trading Platform, including details about the cost, speed and likelihood of execution, for a minimum period of five (5) years. The Company shall also maintain records in relation to ongoing monitoring of best execution and which demonstrates its Compliance with best execution obligations to any Competent authority, as and when required, for a minimum period of two (2) years.



## **19. ORDER EXECUTION PER DIFFERENT CATEGORIES OF INSTRUMENTS**

Pursuant to this Policy, when the Company executes transaction on behalf of the Client into the following categories of Financial Instruments:

### **a) Cash Equities and Exchange Traded Products**

The Company trades as agent with respect to cash equity trades with clients. The Company executes cash equity order through Saxo Bank A/S. The ranking of executive factors for cash equities is:

- i. Price;
- ii. Expected impact of execution;
- iii. Likelihood of execution and Settlement;
- iv. Cost;
- v. Speed; and
- vi. Other Factors – as applicable.

Trading in Cash Equities and Exchange Traded Products have the following Trading Orders, as per **Clause 12** above:

- i. Market Order;
- ii. Limit Order;
- iii. Take Profit; and
- iv. Trailing Stop Order.

All Clients orders are traded in a trading venue and the price are formed according to the rules of the venue.

### **b) Contract for Difference (“CFDs”)**

The Company acts both as a principal or an agent to CFD trades with clients. CFD prices are derived from the relevant underlying index price, taking into account the cost of carry.

The Company calculates its own cost of carry that factors in future expectations of dividends and interest rates, and this can include both internal and external input. All orders in CFD trades are executed against the Company’s own liquidity. For CFD the ranking of applicable execution factors is:

- i. Price;
- ii. Expected impact of execution;





- iii. Likelihood of execution and Settlement;
- iv. Cost;
- v. Speed; and
- vi. Other Factors – as applicable.

For the purposes of ensuring that the Company obtains the best possible result for the client when executing a retail client order in the absence of specific client instructions, it should take into consideration all factors that will allow it to deliver the best possible result in terms of the total consideration, representing the price of the financial instrument and the costs related to execution.

Trading in CFDs have the following Trading Orders, as per **Clause 12**, above:

- i. Market Order;
- ii. Limit Order;
- iii. Take Profit; and
- iv. Trailing Stop Order.

## **20. AMENDMENT OF THE POLICY AND IMPORTANT INFORMATION**

The Company would like to inform you that this Policy is not directed to any jurisdiction or country where its publication, availability or distribution would be contrary to local laws or regulations.

Therefore, this document does not constitute an offer, invitation or solicitation to buy or sell leveraged products and it may not be reproduced or disclosed in whole or in part to any other person without prior written permission. The Policy is not intended to constitute the sole basis for the evaluation of any Client's decision to trade leveraged products.

In addition, please be informed that pursuant to the legal framework the following apply:

Specific leverage limits or restrictions apply for retail clients and hedging is permitted on the MT5 platform. Where a Client opens a second position on the same instrument, this will not be netted-off against the existing open position. For example, if you have an open BUY position in EUR/USD of 4 lots, and then you SELL 1 lot in EUR/USD, these positions will not be netted resulting in a single BUY position in EUR/USD of 3 lots, and instead the positions will be revealed as independent. Should you have any questions on this, please contact us as per below; and

Margin close-out protection means the closure of one or more of a Retail client's open CFDs when the sum of funds in the CFD trading account and the unrealized net profits of all open CFDs connected to that account falls to less than 50% of the total initial margin protection for all those open CFDs.



The Company's Policy will be reviewed annually and whenever a material change occurs that affects its ability to continue to obtain the best possible result for the execution of client orders on a consistent basis using the venues specified above. The Company shall assess whether the material changes has occurred and it will consider making changes to the relative importance of the best execution factors in meeting the overarching best execution requirement.

The Company may also provide, within a reasonable time, upon client request, documented evidence which demonstrates clearly that the Company executed client's orders in accordance with this Policy and information about our Order Execution Arrangements.

Any changes in the Order Execution Policy of the Company will be communicated in advanced, either through email or through the Trading Platform. Moreover, any changes shall be effective immediately and client can at any time find the latest version of this policy on the Company's Website. The Client's consent to any updates in the Order Execution Policy is required in order for the Company to continue the provision of the Investment Services to the client.