

Order Execution Policy and Policy to Act in the Best Interest of the Client

Version 11.0

Version Control:

Applicability and objectives	<ol style="list-style-type: none"> 1. This Policy establishes the principles and guidance for standards which Forextime Limited will adopt when executing Client Orders. 2. The Policy sets out the key aspects applicable to the execution process and it is publicly available to its clients through the website as well as their personal area in MyFXTM. 			
	Name	Position	Date	
Prepared by (Policy Owner)	Chars Mountis	Head of Dealing on Own Account Department	November 2018	
Approved by	Eleana Massoura	Head of Compliance Department	November 2018	
Approved by	Board of Directors Nicholas Defteras Sergey Chumarov George Kyriakoudes Valeriya Kolesnik Yiannis Misirlis Philippos Mannaris	Chief Executive Officer Chief Technology Officer Chief Financial Officer Chief Operating Officer Independent Non-Executive Independent Non-Executive	November 2018	
Version	Request From:	Date:	Author:	Changes:
1.0	Internal Audit	May 2014	Compliance	<ol style="list-style-type: none"> 1. Addition of definitions in Sec 2 2. Update re Execution Venues Sec 5.1 3. Addition of the table re Best Execution Criteria in Sec 6 4. Addition of Sections 7,8, and 9
2.0	Senior Management	January 2015	Compliance	<ol style="list-style-type: none"> 1. Addition of definitions (Agent, Principal, NDD) in Sec 2 2. Update re Execution Venues Sec 5.1 re affiliated companies. 3. Update on Sec 9 re review of the policy and



				material change
3.0	Head of Compliance	July 2015	Compliance	1. Removed references of fixed spread account and Amanh account
4.0	Global Head of Dealing	April 2016	Compliance	1. Change of definition of Take Profit Order
5.0	Risk Committee	July 2017	Compliance	1. Added in Section 4 link to Company website re contract specification. 2. Removed reference that orders may be routed to non-eu affiliate entities in section 6 and removed "Third Party" from last sentence of 1 st paragraph.
6.0	Changes in the legislation (MiFID II)	November 2017	Compliance	1. Changes in whole document in order to take sufficient instead of reasonable steps 2. Sec 1.1 – reference to legislation 3. Sec 2 – Added definition of market depth and



				<p>amended definition of NDD, Riskless or Matched Principal, Scalping, Slippage</p> <p>4. Sec 4 – amended references to instruments</p> <p>5. Sec 5.1.(a) amended website to trading platform</p> <p>6. Sec 5.1 (b) – Added spreads and that more info is on the website</p> <p>7. Sec 5 – Added last paragraph</p> <p>8. Sec 6.1 – Added two sentences</p> <p>9. Sec 6.2 – Added an example</p> <p>10. Sec 6.3 – Amended</p> <p>11. Sec 6.4 – New</p> <p>12. Sec 7 – Last paragraph before warning was added</p> <p>13. Sec 8 – Last 3 paragraphs added</p> <p>14. Sec 9 – New Section</p> <p>15. Sec 10- amended</p> <p>16. Sec 12 – added last sentence on</p>
--	--	--	--	---



				1 st paragraph
7.0	Internal Audit	July 2018	Compliance	1. Added importance of selecting Liquidity Providers; 2. Added that as OTC involves counterparty risk, Upon Client request, additional information about the consequences of OTC execution can be provided.
8.0	Dealing on Own Account	November 2018	Compliance	1. Section 5.1 – Point (d) – Removal of reference to orders by phone.
9.0	Dealing on Own Account	April 2020	Compliance	1. Addition of equities
10.0	Compliance Manager	July 2021	Compliance	1. Removal of reference to retail clients
11.0	Compliance Manager	August 2022	Compliance	1. Liquidity providers as per underlying asset were added. 2. Company's methodology for calculation of the mark-ups was added.
Comments:				

1. Introduction

1.1. Following the implementation of the Markets in Financial Instruments Directive (MiFID II) in the European Union and its transposition in Cyprus with Law 87(I)/ 2017, the Company is required to provide its clients and potential Clients with its Order Execution Policy and Policy to act in the Best Interest of the Client (hereinafter the “Order Execution Policy and Policy to Act in the Best Interest of the Client”).

1.2. Under the above legislation, the Company is required to take all sufficient steps to act in the best interest of the Client when receiving and transmitting orders for execution and when providing the investment service of Portfolio Management and Investment Advice, and to take all sufficient steps to obtain the best possible result (or “best execution”) for its clients when executing client orders. In addition, these rules require Cyprus Investment Firms to put in place a relevant Policy and to provide appropriate information to their Clients on the Order Execution and Best Interest Policy.

1.3. The Terms and Conditions must be read carefully by all Clients and prospective Clients as they contain important information on Client requests and instructions, opening positions, closing positions, orders, stop Outs etc.

2. Definitions

“Agent” - The Company receives the Client orders which are then transmitted to the Liquidity Providers for further execution.

“Buy Limit Order” - An order to carry out a transaction at, or lower than, a specified price, the word ‘limit’ referring to the specified price.

“CFD” - Contracts for Difference.

“Equities” - Shares in companies and other securities equivalent to shares in companies, partnerships or other entities that are traded on an exchange.

“Instant Execution” – An execution method where the order is executed to the most recently available price. In instant execution if the requested price is not available, the current available price will be sent to the Client to confirm execution (requote). Instant Execution is offered under the Standard Account and Cent Account.

“Limit Order” - An order to execute a trade at a specific price or a better one.

“Market Depth” – Market Depth applies only for the ECN servers that utilize the Market execution. The market depth is the available volume that can be used to fill a specific order.

“Market Execution” - The order is executed depending on the depth of the market. Under Market Execution there are no quotes and the order is executed at the best available price in the market. Market Execution is offered under the ECN Account, ECN Zero and FXTM ECN MT5.

“Market Order” - An order for a trade to be executed at the best available price.



“No-Dealing Desk Execution” – Clients' orders are processed automatically without the manual dealer intervention.

“Pending Order” - An instruction from the Client to the Company to open a position once the price has reached the level of the Order.

“Price Gap” shall mean the following:

- a. The first Bid of the current trading session is higher than the last Ask of the previous session, or
- b. The first Ask of the current trading session is lower than the last Bid of the previous session.
- c. Abnormal Spread - during market opening/closing the spread can be significantly increased during the first and last trading hour due to very thin liquidity.

“Principal” - The Company acts as Principal when it is the sole execution venue with respect to the execution of Client orders.

“Requote” - This occurs when the price requested by a client is not available for execution of an order and the Company requotes the current available price to the Client for execution. The Client must explicitly agree to accept the requoted price, prior to execution. Requotes are the result of choosing Instant Execution which is offered on our Standard Account and Cent Account.

“Riskless or Matched Principal” – The Company acts as Riskless or Matched Principal when it receives a client order for execution and immediately executes an identical order in the market, while taking on the role of principal, in order to fill the Client's order. The Company interposes itself between the buyer and the seller to the transaction in such a way that is not exposed to market risk throughout the execution of the transaction as both sides are executed simultaneously. As the transaction is concluded at a price where the Company makes no profit or loss, other than a previously disclosed commission, a fee may be charged for the transaction. Details of which are disclosed on the Company's website.

“Scalping” - A trading strategy based on the notion that you buy and sell (or vice versa) a currency within a very short time frame. Scalping is available to Clients on all servers.

“Slippage” - This is when a trader executed an order at a price which is different to the price, they expected the trade to be executed at. This usually happens during periods of high volatility. Moreover, slippage can occur in cases of big volume orders and thin market depth. There are two kinds of slippage, positive and negative. Positive slippage occurs when the price is executed at a better level than the one requested; a negative slippage is exactly the opposite situation. Slippage may occur in all the account types and order types offered and under all execution methods and it is passed to Clients. Please be informed that in case a slippage is experienced in the market, the orders will be executed at the next available price in cases of market execution. Instant Execution requotes occur when entering or exiting the market.

“Stop Order” – A stop order placed to buy/sell a security/currency when a certain price is reached. These orders are placed to limit loss on a position.

“Stop Out Order” - An instruction to close the Client's open position without the consent of the Client or any prior notice in a case of insufficient funds required for maintaining open positions.

“Take Profit Order” - A market order placed to close a position once it hits a specific price.

3. Scope of the Policy

The Policy applies with respect to the Company's relationship with professional and /or elective professional Clients (excluding Clients classified as Eligible Counterparty).

4. Instruments

The Company executes orders in relation to one or more financial instruments mainly in CFDs on foreign exchange, commodities, spot metals, shares and Indices, and Equities. The Equities are listed shares of corporations on trading venues such as regulated markets and MTFs etc. Collectively these will be referred to as Financial Instruments for the purposes of this Policy.

For more information on the contract specifications please visit the Company's website here: <https://www.forextime.com/eu/forex-trading/contract-specifications>.

5. Best Execution Factors

The Company acts either as principal or riskless principal and not as agent (as defined in Section 2 above) when executing Client orders.

5.1. The Company shall take all sufficient steps to obtain the best possible results for its Clients taking into account the following factors when executing Clients orders:

- (a) Price: For any given financial instrument, the Company will quote two prices: the higher price (ASK) at which the Client can buy (go long) that financial instrument, and the lower price (BID) at which the Client can sell the financial instrument; collectively they are referred to as the Company' price. The difference between the lower and the higher price of a given financial instrument is the spread. Such orders as Buy Limit, Buy Stop and Stop Loss, Take profit for opened short position are executed at ASK price. Such orders as Sell Limit, Sell Stop and Stop Loss, Take profit for opened long position are executed at BID price. The Company's price for a given financial instrument is calculated by reference to the price of the relevant Equity or underlying asset for CFDs, which the Company obtains from third party external reference sources. The Company's prices can be found on the Company's trading platform. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews its third-party external reference sources at least once a day (constantly during trading session, more than once a day), to ensure that the data obtained continues to remain competitive. The Company will not quote any price outside the Company's operations time (see execution venue below) therefore no orders can be placed by the Client during that time.

If the price reaches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop these orders will be closed. But under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop) at the declared Clients 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 movement 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. This may also occur at the opening of a trading session.

The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given financial instrument, is specified under Contract Specifications on the main Website of the Company.

- (b) Costs: For opening a position in some types of financial instruments the Client may be required to pay commission, spread or financing fees as applicable, the amount of which is disclosed on the Company Website.

Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount. The value of opened positions in some types of CFDs is increased or reduced by a daily swap rate throughout the life of the contract. Swap rates are based on prevailing market interest rates, which may vary over time.

For all types of CFDs that the Company offers on specific servers, the commission and financing fees are not incorporated into the Company's quoted price and are instead charged explicitly to the Client account. Please refer to the Company's website for more information.

- (c) Speed of Execution: 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, at all times.

Speed of Execution can be affected by factors which may include poor internet connection, or any other link to the Company's servers and platforms which may affect execution of the Client's orders. For example, the Client's order might be delayed being received by the Company's platform and thus it may affect the price of execution.

- (d) Likelihood of Execution: As it is explained in the Execution Venue section of this Policy, the Company acts as principal whereby it will be the Execution Venue for the execution of the Client's orders for the financial instruments it offers. In addition, the Company, reserves the right to decline an order of any type or to offer the Client a new price for an instant order. In this case, Client can either accept or refuse the new price.

The client is responsible for the security of his Access Data. If the Client undertakes transactions on an electronic system (Trading Platform), he will be exposed to risks associated with the system including the failure of hardware and software (Internet / Servers). The result of any system failure may be that his order is either not executed according to his instructions or it is not

executed at all. The Company does not accept any liability in the case of such a failure.

- (e) **Likelihood of settlement:** The Company shall proceed to a settlement of all transactions upon execution of such transactions. The Company strives to provide its clients with the fastest execution in the best available prices. Nonetheless, the volatility in the market may affect the price, speed and volume. Therefore, trading during volatile conditions where important news and data releases are made is incredibly risky and therefore the best execution criteria might not apply. Therefore, the execution pricing will always be provided at the first available price.
- (f) **Size of order:** The actual minimum size of an order is different for each type of account. A lot is a unit measuring the transaction amount and it is different for each type of financial instrument.

Please refer to the Company's website for the value of minimum size of an order and each lot for a given financial instrument. It is noted that the Company may limit the maximum volume of the single transaction. The actual maximum volume of the single transaction is different for each type of account. In addition, the Company reserves the right to decline an order as explained in the agreement entered with the Client. Please refer to the Company's website for the value of the maximum volume of the single transaction.

- (g) **Nature of orders:** The particular characterizing of an order can affect the execution of the Client's order. The following types of orders can be placed:
 - a. **Market Order:** An order for a trade to be executed at the best available price.
 - b. **Instant Order:** An execution method where the order is executed to the most recently available price. In instant execution if the requested price is not available, the current available price will be sent to the Client to confirm execution (requote). Instant Execution is offered under the Standard Account and Cent Account.
 - c. **Limit Order:** An order to execute a trade at a specific price or a better one.
 - d. **Stop Order:** A stop order placed to buy/sell a security/currency when a certain price is reached. These orders are placed to limit loss on a position.
- (h) **Market Impact:** Some factors may affect rapidly the price of the underlying instruments from which the Company's quoted price is derived and may also affect the rest of the factors herein. The Company will take all sufficient steps to obtain the best possible result for its clients.

The Company does not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as priority factor. Nevertheless, whenever there is a specific instruction from the Client the Company shall make sure that the Client's order shall be executed following that specific instruction.

The quality of execution, which includes aspects such as the speed and likelihood of execution such as fill rate), and the availability and incidence of price improvement, is an important factor in the delivery of best execution.

6. Execution Venues

6.1. Execution Venues are the entities with which the orders are placed. For the purposes of orders for the financial instruments of CFDs and Equities, the Company acts as a principal or riskless principal (therefore, the Company is the sole Execution Venue for the execution of the Client's orders). Moreover, when the Company executes Clients' orders, it may in turn route its own orders to regulated EU and Non-EU financial institutions. The Company carries assessment and monitoring on a continuous basis of the financial institutions used as hedging counterparties/ price feeders in order to ensure that the best possible result is provided to Clients. Moreover, and based on the Company's internal best execution policies, new financial institutions are assessed. Among others, the Company assesses and monitors Costs, Likelihood of Execution, Operations Quality and Market Positioning. The assessment/ monitoring will incorporate execution quality data that these firms shall publish as per the MiFID II requirements.

6.2. The Client acknowledges that the transactions entered in financial instrument with the Company are not undertaken on a recognized exchange, rather they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions (e.g., counterparty risk where in case of default of the Company there may be a failure to satisfy that side of the contractual agreement with the Client). Upon Client request, additional information about the consequences of OTC execution can be provided.

Therefore, the Company may not execute an order, or it may change the opening (closing) price of an order in case of any technical failure of the trading platform or quote feeds.

6.3. The Company takes into consideration multiple factors when selecting Liquidity Providers for hedging positions and use available pricing, such as:

- Likelihood of execution (High importance);
- Business continuity and operations quality (High importance);
- Market position (High importance);
- Costs to the Company (High importance);
- Authorization/regulation and pricing (High importance);
- Conflicts of interest (Medium importance);
- Pricing during market news (High importance);

6.4. As the Company is the sole execution venue, please refer to the Company's website to view the most recent execution quality data.

6.5. Liquidity providers as per underlying asset can be found below:

- LMAX - Commodities, Indices
- SAXO – Forex, Metals
- Nasdaq Basic – US Stocks
- HKEX – Hong Kong Stocks
- Nairobi Securities Exchange – Kenya Stocks

- CBOE – European Stocks

7. Best Execution criteria

The Company will determine the relative importance of the above Best Execution Factors (see point 5) by using its commercial judgment and experience in the light of the information available on the market and taking into account:

- The characteristics of the Client order.
- The characteristics of financial instruments that are the subject of that order.
- The characteristics of the execution venue to which that order is directed.
- The Characteristics of the client.

In view of the above, the Company assigns the following importance level for the above Best Execution Factors:

Factor	Importance Level	Remarks
Price	High	We give strong emphasis on the quality and level of the price data that we receive from external sources in order to provide our clients with competitive price quotes. We do not however guarantee that our quoted prices will be at a price which is as good, or better, than one might have been available elsewhere.
Costs	High	We take all sufficient steps to keep the costs of your transactions as low and competitive, to the extent possible. Additional costs might be charged by the Company's Liquidity Providers.
Speed of Execution	High	Execution speed and the opportunity for price improvement are critical to every trader and we repeatedly monitor these factors to ensure we maintain our high execution standards.
Likelihood of Execution	High	Even though we reserve the right to decline a client order we aim to execute all Clients' orders, to the extent possible.
Likelihood of settlement	Medium	See relevant description in Best Execution Factors (point 5 above).
Size of order	Medium	See relevant description in Best Execution Factors (point 5 above).
Nature of orders	Medium	See relevant description in Best Execution Factors (point 5 above).
Market Impact	Medium	See relevant description in Best Execution Factors (point 5 above).

For Clients, the best possible result shall be determined in terms of the total consideration, representing

the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the Client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

It should be noted that the Company does not receive any remuneration, discount or non-monetary benefit for routing Client orders to a particular trading venue or execution venue which would infringe the requirements on conflicts of interest or inducements. The Company may receive third party payments only when the aforesaid is designed to enhance the quality of the service to the Client and does not impair compliance with the Company's duty to act honestly fairly and professionally in accordance with the best interests of the Clients. The Company shall duly inform the Clients in this respect.

Warning: Please note that when you provide specific instructions on executing an order, this 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 these orders in respect of the elements covered by those instructions.

8. Execution of Client orders

The Company shall satisfy the following conditions when carrying out Client orders:

- (a) ensures that orders executed on behalf of Clients are promptly and accurately recorded and allocated;
- (b) carries out otherwise comparable Client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the Client require otherwise;
- (c) informs a Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

A clear explanation of how orders are executed by the Company, can be accessed at the Company's [website](#), under the Terms of Business document for each server.

Execution of Client orders may also be affected by Slippage and Market Gap. Under standard market conditions from the moment a client's order is registered in the system its execution is almost instantaneously executed unless there are technical system failures (e.g., connectivity issues). For further information on time of execution, and slippage, please refer to execution quality data published on the Company's website. It should also be noted that the Company does not operate outside market trading hours and hence does not execute orders outside these hours.

During volatile markets, the Company follows the below rules:

1. Ensures that liquidity for all instruments is available;
2. Ensures that quotes do not cease to be received unless the market quotes are seized from every Liquidity Provider;

3. If one Liquidity Provider freezes the quotes then in matter of seconds the secondary Liquidity Provider comes online. Ensure that the Client execution costs remain the same.
4. In occasional and extreme cases and subject to market conditions, the Company may set specific instruments into close-only mode.

9. Execution and Price Data

A. CFDs on FX

The Company acts as the execution venue when executing orders on CFDs on FX. The Company may as well hedge its market risk with its Liquidity Providers.

The prices provided to Clients are derived from the pricing of the Liquidity Providers which are independent EU- licensed and operate under MiFID or Swiss-licensed and regulated, and the Company adds its mark-up.

As part of its monitoring the Company on a random basis, benchmarks its prices to independent price sources so as to ensure that execution of orders take place with market standards. The relevant arrangements and price sources are reviewed on a monthly basis.

B. CFDs on Shares

The Company acts as the execution venue when executing orders on CFDs on Shares.

The Company has a direct agreement with the New York Stock Exchange (NYSE) and the NASDAQ stock market, which provide direct pricing of the underlying shares to the Company, which in turn provides the pricing to Clients plus mark-up.

C. CFDs on Indices

The Company acts as the execution venue when executing orders on CFDs on Indices.

The prices provided to Clients are derived from the pricing of the Liquidity Providers which are independent EU- licensed and operate under MiFID, or Swiss-licensed and regulated and the Company adds its mark-up.

D. CFDs on Commodities and Metals

The Company acts as the execution venue when executing orders on CFDs on Commodities and Metals.

The prices provided to Clients are derived from the pricing of the Liquidity Providers which are independent EU- licensed and operate under MiFID, or Swiss-licensed and regulated and the Company adds its mark-up.

E. Equities

The Company acts as principal when executing orders on Equities.

The prices provided to Clients are received from the pricing of the Liquidity Providers which are independent, non-EU- licensed and duly regulated brokers, exchanges and or alternative trading systems. Commissions may be added to the trades.

Company's methodology for calculation of the mark-ups:

The Company is applying a single starting layer for the calculation of the mark-ups.
Mark-ups from client to client are equal.

10. Client consent

By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on him, and specifically the explicit consent to his orders being executed outside a regulated market or multi-lateral trading facility (MTF) or Organized Trading Facility (OTF), which is the case for OTC instruments.

11. Demonstration

The Company should be able to demonstrate to Clients, upon request, that their orders have been executed in accordance with this Policy.

12. Monitoring

The Company assesses on a regular basis, of particular transactions in order to determine whether it has complied with its execution policy and/or arrangements, and whether the resulting transaction has delivered the best possible result for the client. The Policy should be reviewed by the relevant departments at least on an annual basis and whenever a "material change" occurs. A material change shall be a significant event that could impact parameters of best execution such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

Monitoring may include comparing similar transactions:

- (i) on the same execution venue or with the same entity, in order to test whether a firm's judgment about how orders are executed is correct, or
- (ii) on different execution venues or entities chosen from among those in the firm's (execution)

policy, in order to test whether the 'best' execution venue or entity is being chosen for a given type of transaction.

Where monitoring reveals that a firm has fallen short of obtaining the best possible result, the firm should consider whether this is because the firm has failed to follow its (execution) policy and/or arrangements or because of a deficiency in such policy and/or arrangements and make appropriate amendments.

13. Amendment of the Policy and Additional Information

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate and/or at least annually. The Company shall inform its Clients as regards the amended version of its policy through an email.

Should you require any further information and/or have any questions about this policy please direct your request and/or questions to info@forextime.com.