

ORDER EXECUTION POLICY

FXGlobe Limited

+357 25870060
info@fxglobe.com

2 Louki Akrita Street, Limassol, 3030,
Cyprus

Regulated by the Cyprus Securities and Exchange
Commission (CySEC), License Number 205/13

July 2021





ORDER EXECUTION POLICY

1. Introduction

FXGLOBE LTD, a Company incorporated in the Republic of Cyprus through the Registrar of Companies with incorporation number HE254133 (“FXGlobe”) and regulated through the Cyprus Securities and Exchange Commission (“CySec”) through license number 205/13, having its business office is at 2 Louki Akrita Street, Limassol, 3030, Cyprus.

This Policy summarizes the general basis on which FXGlobe will ensure “best execution” to you (“the Client” or “Prospective Client”) when it provides the investment services of reception, transmission and execution of orders in relation to one or more financial instruments, in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time (“the Law”) and pursuant to the European Union’s Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”).

2. Scope and Purpose

2.1 FXGlobe is required to set up this Policy and to take all sufficient steps to act in the best interests of its clients and obtain the best possible results for its Clients (“best execution”) either when executing Clients orders or receiving and transmitting order for execution in relation to financial instruments. The Policy sets out a general overview on how the Company will obtain the best execution possible results when executing Clients orders by taking into account the criteria and factors stated here below.

2.2. This Policy applies to both Retail and Professional Clients. It applies upon acceptance of an order and when a Client gives no specific instruction on the execution method. Nevertheless, when the Client give a specific instruction on an order, the Company will execute the order following such instruction. If the Company receives a specific instruction on an order, this may prevent the Company from implementing the Policy to obtain the best possible result for the execution of the order.

2.3 Where FXGlobe enters into transactions with/for eligible counterparties, the best execution obligation will not apply, unless FXGlobe has contractually agreed to provide best execution.

2.4 The financial instruments regulated under MiFID II include most types of financial instruments, but do not include spot foreign currency exchange transactions and spot commodity derivative transactions. Accordingly, this Policy does not apply to those instruments.

3. Types of Financial Instruments

3.1. This Policy applies when the Company offers the investment services of reception and transmission of orders in relation to one or more financial instruments and/or when executing orders on behalf of retail and professional Clients.

3.2. The financial instruments provided by the Company are Over the Counter (“OTC”) Financial Contracts for Differences (“CFDs”). In particular:

- CFDs on currency pairs;
- CFDs on spot metals;



- CFDs on spot indices;
- CFDs on spot commodities;
- CFDs on futures; and
- CFDs on shares;

3.3 By opening a trading account with FXGlobe you are bounded by the Terms and Conditions that can be found on the Company's website and includes this Order Execution policy and you consent and understand that all orders placed by you will be executed outside a regulated market or a multilateral trading facility as stated in section 10.

4. Best Execution Factors

4.1. In achieving best execution, the best possible result is determined in terms of the total consideration representing the price of the financial instrument and the costs associated to the execution, which must 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.

4.2. In addition, depending on the type of order provided, such as 'Market Orders' or 'Stop loss orders' FXGlobe will consider the speed of execution, when assessing how to achieve the best possible result.

Thus, FXGlobe takes into account the following factors (unless otherwise instructed by the Clients):

- A. Fairness of Price** (*highest importance*);
- B. Costs** (*highest importance*);
- C. Speed of execution** (*medium importance*);
- D. Likelihood of execution** (*medium importance*);
- E. Likelihood of settlement** (*low importance*);
- F. Size of order** (*low importance*) and
- G. Market impact** (*low importance*).

4.3. Furthermore, FXGlobe takes into account the following **criteria*** for determining the *relative importance* of the abovementioned execution factors:

- The characteristics of the Client, including the categorization of the Client as Retail or Professional;
- The characteristics of the Client order;
- The characteristics of the financial instruments that are the subject of that order;
- The characteristics of the execution venues to which that order can be directed.

** Not all of these criteria will be relevant in each case.*

4.4. For orders that are not wholly covered by your specific instructions, we shall determine the best possible result when executing Client Orders against the Company's quoted priced by taking into consideration the execution factors and their relevant importance in the order presented here below:

I. Fairness of Price



Bid-Ask Spread: For any given financial instrument, we quote two prices: the higher price (Ask), at which the Client can buy (go long) a financial instrument, and the lower price (Bid) as which the Client can sell (go short); collectively, referred to as the Company's prices. The difference between the Bid and the Ask prices of a given financial instrument is the spread.

Pending Orders: Orders such as 'Buy Limit', 'Buy Stop' and 'Stop Loss' / 'Take Profit' for open short positions are executed at the Ask price. Orders such as 'Sell Limit', 'Sell Stop' and 'Stop Loss' / 'Take Profit' for open long positions are executed at the Bid price.

The Company's price for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third party external reference sources. The Company's prices can be found on the Company's website or trading platforms. 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 from time to time to ensure that the data obtained continues to remain competitive. The Company will not quote any price outside the Company's operation time 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 or Sell Stop, these orders are instantly executed. However, under certain trading conditions it may be impossible 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.

II. Costs

For opening a position in some types of CFDs the Client may be required to pay commission or financing fees, the amount of which is disclosed on the Company's website.

Commissions are charged, under the ECN model, either in the form of a percentage of the overall value of the trade or as fixed amounts. The amount of the commission depends on the size of the transaction and is determined in proportion to 25 USD charged per 1 mln USD trading volume, or its equivalent in another currency. Calculation of the commission total is made at the current forex rate. The commission fee is deducted from the account during the opening of the transaction for both operations at once (opening and closing).

In the case of financing fees, the value of opened positions in some types of CFDs is increased or reduced by a daily financing fee ("swap rate") throughout the life of the contract (i.e. until the position is closed). Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are available on the Company's website, www.fxglobe.com.

For all types of CFDs that the Company offers, the commission and financing fees are not incorporated into the Company's quoted price and are instead charged explicitly to the Client account.

III. Speed of Execution



The Company places significant importance on executing, and receiving and transmitting Clients' orders for execution, and strives to offer high speed of execution within the limitations of technology and communications links. Price change over time and the frequency with which they do varies with different financial instruments and market conditions. The Company places significance when executing Client's order to the speed of the execution of an order.

For instance, the use of a wireless connection or dial up connection or any other communication link that can cause a poor internet connection can cause unstable connectivity to the Company's trading platform resulting to the Client placing his orders on old prices, where the Company might decline and provide him with a new quote (i.e. re-quoting).

If there is any failure of hardware and software (e.g. Internet connectivity issues, server downtimes, etc.), this may result that Client's order is either not executed in accordance with his expectations or it is not executed at all. The Company does not accept any liability in such a case of such a failure.

IV. Likelihood of execution

The levels of volatility in the market affect both price and volume. The Company seeks to provide its Clients with the fastest execution reasonably possible. Clients orders are executed by the Company at the requested price. However, under certain market circumstances, orders may not be filled at the exact price requested but instead at the best available price. This may occur during news announcements, during periods of volatile market conditions, on opening gaps (when trading session starts) or on possible gaps where the underlying instrument has been suspended or restricted on a particular market. In the event that the Company is unable to proceed with an Order with regard to price or size or other reason, the Order will not be executed. 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/General Terms and Conditions.

In order to improve speed and likelihood of execution the Company carries out certain ex-ante and ex-post quality checks. Such checks include, but not limited to, symmetric slippage checks, number of trades subject to slippage and comparing our average speed of execution with industry standards.

V. Likelihood of settlement

The financial instruments offered by the Company do not involve the delivery of the underlying asset, so there is no settlement as there would be for example if the Client had bought shares.

VI. Size of order

The actual minimum size of an order may be different for each type of Client Account. A lot is a unit measuring the transaction amount and it is different for each type of CFD. Please refer to the Company's website for the value of minimum size of an order and each lot for a given CFD type. If the Client wished to execute a large size order, in some cases the price may become less favourable. The Company reserves the right to decline an order in case the size of the order is large and cannot be filled by the Company or for any other reason 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.

VII. Market Impact

Some factors may rapidly affect the price of the underlying instruments/products from which the Company's quoted price is derived and may also affect other factors listed herein. The Company will take all reasonable steps to obtain the best possible result for its Clients.

5. Types of Execution Orders

- a. **Market order(s):** A Market Order is an order to buy or sell a CFD at the current price. Execution of this order results in opening a position. CFDs are bought at the ASK price and sold at the BID price. Stop Loss and Take Profit Orders can be attached to a Market Order. Market Orders are offered for all types of accounts.
- b. **Pending Order(s):** The Company may offer the following types of Pending Orders: Buy Limit, Buy Stop, Sell Limit or Sell Stop Orders to Client Accounts used to receive and transmit Client orders in CFDs for execution to another entity (known as STP). A Pending Order is an order that allows the Client to buy or sell a CFD at a pre-defined price in the future. These Pending Orders are executed once the price reaches the requested level. However, it is noted that under certain trading conditions it may be impossible to execute these orders at the Client's requested price. In this case, the Company has the right to execute the order at the first best available price. This may occur, for example, at times of rapid price fluctuations of 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 there is lack of liquidity, or this may occur at the opening of trading sessions. It is noted that Stop Loss and Take Profit may be attached to a Pending Order. Also, pending orders are good till cancelled.
- c. **Take Profit:** A Take Profit Order is intended for gaining profit when the CFD price has reached a certain level. Execution of this order results in complete closing of the whole position. It 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 Platform checks long positions with the Bid price for meeting of this order's provisions (the order is always set above the current Bid price), and it does the same with the Ask price for short positions (the order is always set below the current Ask price).
- d. **Stop Loss:** This order is used for minimizing losses if the CFD price has started to move in an unprofitable direction. If the CFD price reaches this level, the whole position will be closed automatically. Such orders are always connected to an Open Position or a Pending Order. They can be requested only together with a Market or a Pending Order. Under this type of order, the Company's Platform checks long positions with the Bid price for meeting of this order's provisions (the order is always set below the current Bid price), and it does the same with the Ask price for short positions (the order is always set above the current Ask price).

6. Client's Specific Instruction

6.1. Whenever a Client gives a specific instruction as to the execution of their order, the Company will execute that order in accordance with the Client's specific instructions. In following those specific



instructions, FXGlobe will be deemed to have satisfied its best execution obligations in respect of that part of the order to which the specific instructions relate. If a Client requires their order to be executed in a particular way, they must clearly state their requested method of execution when they place their order. To the extent that the Client's specific instructions are not clear, FXGlobe will determine any non-specified aspects in accordance with this Policy.

6.2. It should be noted that specific instructions from a Client may prevent the Company from taking the necessary steps it has designed and implemented in this Policy, to obtain the best possible outcome for the execution of those orders in respect of the elements covered by those instructions.

7. Execution Practices in Financial Instruments

7.1. Slippage

You are warned that Slippage may occur when trading in CFDs. This is the situation when at the time that an Order is presented for execution, the specific price showed to the Client may not be available; therefore, the Order will be executed close to or a number of pips away from the Client's requested price. So, Slippage is the difference between the expected price of an Order, and the price the Order is actually executed at. If the execution price is better than the price requested by the Client, this is referred to as positive slippage. If the executed price is worse than the price requested by the Client, this is referred to as negative slippage. Please be advised that Slippage is a normal element when trading in financial instruments. Slippage more often occurs during periods of illiquidity or higher volatility (for example due to news announcements, economic events and market openings and other factors) making an Order at a specific price impossible to execute. In other words, your Orders may not be executed at declared prices. It is noted that Slippage can occur also during Stop Loss, Take Profit and other types of Orders. We do not guarantee the execution of your Pending Orders at the price specified. However, we confirm that your Order will be executed at the next best available market price from the price you have specified under your pending Order.

8. Best Execution Criteria

8.1. The Company will determine the relative importance of the above Best Execution Factors (of paragraph 3 above) by using its commercial judgment and experience in the light of the information available on the market and taking into account:

- a. The characteristics of the Client, including the categorisation of the Client as retail or professional.
- b. The characteristics of the Client order.
- c. The characteristics of the Financial Instruments that are the subject of that order.
- d. The characteristics of the execution venue to which that order is directed.

8.2. For Retail Clients, the best possible result shall be determined in terms of the total consideration, unless the objective of the execution of the order dictates otherwise, 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, as applicable.

8.3. For the purposes of delivering best execution where there is more than one competing Execution Venues to execute an Order, in order to assess and compare the results for the Client that would be achieved



by executing the Order on each of the execution venues that is capable of executing that Order, the Company's own commissions and costs for executing the order on each of the eligible execution venues shall be taken into account in that assessment. The Company shall not structure or charge commissions in such a way as to discriminate unfairly between execution venues.

9. Execution on Client Orders

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

- i. Ensures that orders executed on behalf of Clients are promptly and accurately recorded and allocated;
- ii. carries out otherwise comparable Client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable;
- iii. informs a retail Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty

9.2. **Clients' Specific instructions:** If a specific instruction is received by the Client and/or on behalf of a client, the Company shall arrange -to the extent possible- for the execution of the client order strictly in accordance with the specific instruction. It is noted that any specific instructions from a client 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 shall be considered that the Company satisfies its obligation to take all sufficient steps to obtain the best possible result for the client.

Any specific instructions from a Client may prevent the Company from taking the steps that it has designed and implemented to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions. However, it shall be considered that the Company satisfies its obligation to take all reasonable steps to obtain the best possible result for the Client. Trading conditions or market rules may prevent the Company from following the Clients' instructions.

10. Execution Venues

10.1. Execution Venues are the entities with which the Orders are placed for final execution (i.e. are completely filled). An «execution venue» means a regulated market (e.g. stock exchange), a multilateral trading facility, a systematic internaliser or a market maker or another liquidity provider or an entity performing in a third country a function similar to any of the abovementioned. For the purposes of Orders for the Financial Instruments, third Financial Institution(s) will be the Execution Venue and not the Company. Financial Institutions acting as Execution Venues are, Broctagon Prime Limited and XNT Limited.

The list may be changed at the Company's discretion by giving at least one business day prior notice to the Clients. The Company evaluates and selects the Execution Venues based on a number of criteria including such as (but not limited to) the following:

- a) the regulatory status of the institution;
- b) the ability to deal with large volume of Orders;
- c) the speed of execution;



- d) the competitiveness of commission rates and spreads;
- e) the reputation of the institution;
- f) the ease of doing business;
- g) the legal terms of the business relationship;
- h) the financial status of the institution;
- i) various qualitative criteria such as clearing schemes, circuit breakers and scheduled actions.

The Company places different relative importance on each of the criteria mentioned above by using its commercial judgment and experience in the light of the information available on the market.

The Company selects to work with those third-party venues that enable the Company to obtain on a consistent basis the best possible result for the execution of client orders.

Where there is only one possible Execution Venue, best execution is achieved by execution on that venue. Best execution is a process, which considers various factors, not an outcome. This means that, when the Company is executing an order for a Client, the Company must execute it in accordance with its execution policy. The Company does not guarantee that the exact price requested will be obtained in all circumstances and, in any event, the factors may lead to a different result in a particular transaction.

10.2. The Client acknowledges that the transactions entered in Financial Instruments with the Company are not undertaken on a recognised exchange, rather they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks (e.g. counterparty risk) than regulated exchange transactions. If you require more information regarding the consequences of this means of execution, please contact us in one of the official contacting methods of the Company.

10.3. The Company randomly selects a sample of trades to ensure, with a high statistical confidence level, that it constantly obtains and will obtain the best possible results for the Clients. This is verified by selecting samples from different periods of time, for different instruments and different types of CFDs. Also, the sample checks include trades under irregular market events.

11. Important Disclosures

11.1. The Company undertakes to summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where the client orders were executed in the preceding year and information on the quality of execution obtained, in accordance to the relevant regulatory requirements.

11.2. The Company will publish an annual Execution Quality Summary Statement (EQSS) which will, for each class of financial instruments, include a summary of the analysis and conclusions the Company will draw from its detailed monitoring of the quality of execution obtained on the execution venues where all client orders were executed in the previous year.

11.3. The EQSS will include:

- a) an explanation of the relative importance the Company gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;



- b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
- c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
- d) an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;
- e) an explanation of how order execution differs according to client categorisation, where the Company treats categories of clients differently and where it may affect the order execution arrangements;
- f) an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the Client;
- g) an explanation of how the Company has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575;
- h) where applicable, an explanation of how the Company has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

11.4. The first annual report was released end of April 2018.

11.5. You can find EQSS [here](#).

12. Client's Consent

12.1. By entering into a Client Agreement with FXGlobe, the Client is approving to establish a business relationship with FXGlobe and therefore consent to, among others, this Order Execution Policy.

13. Monitoring and Review

13.1. The Policy

The Company will monitor the effectiveness of its order execution arrangements and this Policy at least annually and whenever there is a material change that affects the Company's ability to obtain Best Execution for Clients. Additionally, the Company will regularly assess whether or not the Execution Venues it accesses continue to provide the best possible results for orders it executes. The Company will also publish the quality of execution reports annually.

The Company will review, at least annually or when a material change occurs, both its order execution arrangements and this Policy. FXGlobe will notify Clients and potential Clients of any material changes to the Policy through the Company's website and will be available to actual and potential Clients. FXGlobe will be able to check the fairness of the price proposed to the Client, by gathering market data used in the estimation of the price of such product and when possible by comparing with similar or comparable products. The Company will also be able to demonstrate, upon request, that the Client's order was executed in accordance with this Policy.

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the Client Agreement between the Client and FXGlobe.



13.2. The Procedures

In order to ensure that this policy is being updated on timely manner and is sufficiently implemented, the Company has in place a robust monitoring programs and procedures in order to assess the execution quality and, where appropriate, correct any deficiencies identified.

For the monitoring and assessment purposes the Company use an adequate sample size of transactions and based on which it performed the carefully the selected benchmarks and tolerances for compliance with this policy and any other relevant policy of the Company.

Monitoring is performed by members of the dealing room and their findings is referred to the senior management for consideration, oversight and challenged together with the compliance function.

The company shall ensure on continuous basis the implementation of the Best execution policy and keep records of monitoring procedures (i.e. checks and assessment documents, systems reports, communications and deficiencies corrections, etc.) that such best execution has been ensured. Methods for such monitoring could include, at the company's discretion, convenience and depending on the size of the company and aspect at assessment:

- a. monitoring encompassed real-time, change-of-shift, end-of-day and periodic reporting of the dealing room function to the relevant senior managers. In such method, the relevant documented records shall be kept, including price registers and/or alerts to identify and rectify situations where the CIF was not delivering best execution.
- b. Consider all the execution factors and the information that the Company is required to assess. (i.e. systematically compare the Company's quoted and executed price against the price of independent price sources or other venues (e.g. average market price), in order to ensure the fairness of the price proposed to clients and to perform self-assessment of Company's own execution quality.)
- c. Consider the benchmarks and statistics such as the average effective spread; frequency of quote delays; rejections and price re-quotes; as well as metrics on order latency, did not form an integral part and/or focal point of their monitoring.
- d. review statistics related to the symmetry of any observed slippages (positive vs negative), taking into account the number of orders, the volume of orders (i.e. in pips) and the value of orders for all order types (e.g. market orders including stop loss and take profit orders, other limit orders and stop out orders due to the 50% margin close out rule).
- e. Using different types of internal monitoring reports and/or third-party sophisticated technology/systems forestland reporting and data analysis (i.e. perform slippage calculations using a monitoring excel reports with the necessary data; proper calculation methodologies to be ensured in place; etc.).
- f. Using a robust scoring system for monitoring liquidity providers and a thorough onboarding process for potential counterparties based on an assessment, taking into account objective criteria such as financial strength, technology, breadth of coverage and the provision of negative balance protection.
- g. Formal documents may be put in place in order to easy the process of reporting the deficiencies identified by the relevant employees, noting the discussions of the management and the Board and finally ensuring the Board's approval for any actions taken.



- h. continuously monitor price slippage and requotes for all trading activity, taking into account the number of orders, the volume of orders (i.e. in pips) and the value of orders for all order types (i.e. monitoring team receiving automated emails with such statistics and verified periodically, which further would be reported to the relevant management).

In instances where the best execution was not provided, it is expected that the company provides legitimate reasons for this, or it may be that the service provided to the client could have been improved. The management will work together to learn from these incidents and correct any deficiencies picked up as a result of FXGlobe's best execution monitoring.

14. Client's Protection

When the market is highly volatile any or all of the following steps might be taken by FXGlobe, including but not limited to:

- Impose volume restrictions; and/or
- Decrease/Increase Margin Requirements; and/or
- Restrict the opening of orders; and/or
- Decrease/Increase Leverage; and/or
- Widen/Narrow the Spreads;

Under certain market conditions, i.e. during unexpected and unforeseeable events, the price of any Financial Instrument might be affected making it impossible for the Company to execute any type of Order at the declared price, in such circumstances, the ability to execute Orders on a timely basis will become the primary factor.

FXGlobe will inform the Clients of the actions that is willing to take during major events which can cause the market to be highly volatile.

15. Record-Keeping

For the purpose of this Policy, FXGlobe shall maintain records of the prices for individual financial instruments shown on FXGlobe's Electronic Trading Platform, including details about costs, speed and likelihood of execution, for a minimum period of five (5) years and, where requested by CySEC, for a period of up to seven (7) years.

FXGlobe shall also keep records which evidence the ongoing monitoring of best execution and which demonstrate FXGlobe's compliance with best execution obligations to any competent Authority, as and when required.

16. Contact us

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