

## **SUMMARY**

### **BEST INTEREST AND ORDER EXECUTION POLICY**

#### **1. Introduction**

This summarized Best Interest and Order Execution Policy (“the Policy”) is provided to you (our Client or prospective Client) 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”). Pursuant to the Law, Exness (CY) Ltd (“the Company”) is required to take all sufficient steps to obtain the best possible result (best execution) on behalf of its Clients either when executing Client orders or receiving and transmitting orders for execution.

By opening a trading account with the Company, the Client agrees/consents to the fact that his orders will be executed outside Regulated Markets (e.g. Licensed European Stock Exchange) or a Multilateral Trading Facility (e.g. European Financial Trading System).

#### **2. Scope of Application**

This Policy applies to both Retail and Professional Clients (as defined in the Company’s Client Classification Policy [https://www.exness.eu/legal\\_documents/](https://www.exness.eu/legal_documents/)). This Policy does not apply to Clients categorized as Eligible Counterparties.

This Policy sets out the Company’s approach to obtain the best possible result (best execution) on behalf of Clients when executing Client orders on Financial Instruments offered by the Company.

#### **3. Type of Financial Instruments**

It is up to the Company to decide which types of Financial Instruments to make available for trading. The only Financial Instruments offered by the Company are Contracts For Difference (CFDs) across a range of asset classes: FX, precious metals.

#### **4. Best Execution Factors**

The Company shall take all sufficient steps to obtain, when executing orders, the best possible result for Clients, taking into account price, costs, speed, likelihood of execution and settlement, size, market impact or any other consideration relevant to the execution of the order. The following execution factors apply to all execution models provided by the Company unless otherwise stated.

Where the Company executes an order on behalf of a Client, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs relating to execution, which shall include all expenses incurred by the Client which directly

relate to the execution of the order. For determining the relative importance of the execution factors, the following criteria are taken into account:

1. The characteristics of the Client including the categorization of the Client as Retail or Professional;
2. The characteristics of the Client order, including where the order involves a securities financing transaction (SFT);
3. The characteristics of Financial Instruments that are the subject of that order;
4. The characteristics of the Execution Venues to which that order can be directed.

The Company considers price and costs as the most important execution factors, followed by speed, likelihood of execution and settlement, size and nature, and market impact. The relative importance attached to these execution factors does not differ across the asset classes traded by the Company.

**a. Price:**

- For any given CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy that CFD (go long), and the lower price (BID) at which the Client can sell that CFD (go short). Collectively, the ASK and BID prices are referred to as the Company's prices. The difference between the lower and the higher price of a given CFD is the spread.
- 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.
- Pending Orders: Such orders as Buy Limit, Buy Stop, Stop Loss, and Take profit are executed at the ASK price for opened short positions. Such orders as Sell Limit, Sell Stop, Stop Loss, and Take profit are executed at the BID price for opened long positions.
- 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. The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given CFD, is specified under your Trading Agreement.

**b. 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.exness.eu](http://www.exness.eu).
- 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.

**c. 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. For instance, in cases where Clients use a wireless connection or a dial up connection or any other communication link that can cause a poor internet connection, which can cause unstable connectivity with the Company's trading platform, resulting to the Client placing his orders at a delay and the orders being executed at a better or worse prevailing price offered by the Company. The Company does not accept any liability in the case of such an incident.

**d. Likelihood of Execution:**

- In some cases it may not be possible to arrange an order for execution, for example, but not limited to, in the following cases: during news times, trading session start moments, 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, or a force majeure event has occurred. 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.
- 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. The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given CFD, is specified under your Trading Agreement.

- For the ECN model where the Company may transmit orders for execution to a third party (another Execution Venue), the likelihood of execution depends on the pricing and available liquidity of such other third party.

**e. 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.

**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 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. 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 a single transaction.

**g. 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. Execution Practices in Financial Instruments**

**a. Slippage:**

Slippage may occur when trading Financial Instruments. This is the situation when at the time that an order is presented for execution, the specific price shown 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 Financial Instruments. Slippage more often occurs during periods of illiquidity or higher volatility (for example due to news announcements, economic events, 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 the declared

prices. Slippage may appear with all types of accounts we offer. It is noted that Slippage can also occur 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 price from the price you have specified under your pending order.

**b. Re-quotes:**

In some cases, the Company may provide a secondary quote to the Client after an Order has been submitted; the Client must agree to this re-quote before the order is executed. The Company shall provide re-quotes if the requested price of the Client is not available at the specific time of execution. The secondary price provided to the Client is the next available price received by the Company from its price feeders.

It is noted that re-quotes are not applicable for ECN accounts.

**6. Types of Order(s) in CFDs**

**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).

## **7. Execution Venues**

Execution Venues are the entities with which the orders are placed and executed. Depending on the type of account you have with the Company, either the Company or a third party liquidity provider will be the Execution Venue for the execution of Client orders.

Under "Mini" and "Classic" accounts the Company always acts as a dealer and is the sole counterparty to any Client orders placed (i.e. principal to principal). Therefore in these cases, the Company is the sole Execution Venue for the execution of the Client's orders.

Under ECN accounts, prices are obtained directly from reputable brokers and banks through an electronic execution system. The Company's execution system will automatically aggregate all available liquidity and will provide to Clients the best possible prices available. Under this model, a third party liquidity provider(s) or the Company may act as the Execution Venue for the execution of Client orders. The Company reserves the right to change its Execution Venues at its own discretion. The current Execution Venues/liquidity providers (which as noted above includes the Company itself) are, Exness (Cy) Ltd, CFH Clearing Ltd and Forex Capital Markets Limited.

The execution quality data for each execution venue can be found here [https://www.exness.eu/legal\\_documents/](https://www.exness.eu/legal_documents/).

Execution of orders outside a Trading Venue: You acknowledge that the transactions in Financial Instruments placed with the Company are not executed on a Trading Venue (Regulated market, Multilateral Trading Facility and Organized Trading Facility), rather they are executed by the Company Over-the-Counter (OTC) through its electronic trading platform. As such the Client may be exposed to greater risks than regulated exchange transactions.

## **8. Client's Specific Instruction**

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, Exness 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 manner, they must clearly state their desired method of execution when they place their order. To the extent that the Client's specific instructions are not comprehensive, Exness will determine any non-specified aspects in accordance with this Policy.

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.

## **9. Execution of Client Orders**

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

- Ensures that orders executed on behalf of Clients are promptly and accurately recorded and allocated;
- 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;
- Informs a Retail Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

Clients are obliged to close an open position of any Financial Instrument during the opening hours of the Company's trading platform. The Client is also obliged to close any open position with the same counterparty with which it was originally opened, i.e. the Company. All relevant rules are described in the Client Agreement.

## **10. Client's 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.

## **11. Monitoring and Review**

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 quarterly.

The Company will review, at least annually or when a material change occurs, both its order execution arrangements and this Policy. Exness 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. Exness 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 the Company. Should you require any further information and/or have any questions about this Policy please direct your request and/or questions to [support@exness.eu](mailto:support@exness.eu).