



# **ORDER EXECUTION POLICY**

MAY 2018

## I. Purpose

The purpose of this policy is to establish effective arrangements for obtaining, when ICC Intercertus Capital Ltd, hereafter the “Company”, is executing clients’ orders, the best possible result for its clients.

This document aims to set out those arrangements and to ensure compliance with legislative requirements and the departmental and general procedures, which are set within this Internal Procedures Manual.

This policy shall be read in conjunction with Dealing Room Manual of this Internal Procedures Manual.

## II. Legal Framework

In accordance with the Investment Services and Activities and Regulated Markets Law of 2007, CIFs must take all reasonable steps to obtain, when executing orders, the best possible result for their clients taking into account price, costs, speed, likelihood of execution, size, nature or any other consideration relevant to the execution of the order. Nevertheless, whenever there is a specific instruction from the client, the CIFs shall execute the order following the specific instruction.

In addition, CIFs must establish and implement an order execution policy to allow the CIF to obtain, for its clients’ orders, the best **possible** result.

## III. Policy

Dealing Room is the relevant department to which the order execution policy mainly applies. Senior Management reviews the policy on an annual basis or / and whenever a material change occurs that impacts the Company’s ability to continue offering best execution of its clients’ orders using the Company’s trading platform.

The Company proceeded to the establishment and maintenance of an Order Execution Policy, in order to ensure compliance with the obligation to execute orders on terms most favourable to the

clients and to achieve the best possible results for its clients, taking into consideration its clients' ability, needs and trading policies, where applicable and possible.

The policy outlines the process that the Company follows in executing trades, and assure taking all reasonable steps to consistently obtain the best possible result for clients through its order execution policy. It is noted however that when executing an order following a specific client instruction, the Company will execute the order in line with those instructions and will consider that it has discharged its best execution obligations.

#### **IV. Best Execution Criteria**

The Company will take into account the best execution criteria for determining the relative importance of the execution factors:

- a. The characteristics of the client
- 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 venues to which that order can be directed.

The best possible result will be determined in terms of the total consideration, representing the price of the contract and the cost related to execution. The other execution factors of speed, likelihood of execution size, nature or any other relevant consideration will, in most case, be secondary to price and cost considerations, unless they would deliver the best possible result for the client in terms of total consideration.

#### **V. Execution Factors**

The Company, when managing client's orders takes into account various execution factors, provided that there are no specific instructions from the client to the Company about the way of execution of the orders. The execution factors include:

- e. Price
- f. Speed and likelihood of execution
- g. Costs or commissions

- h. Size and nature of the order
- i. Market conditions and variations
- j. Execution capability
- k. Any other direct consideration relevant to the execution of the order

## VI. Specific Instructions

In circumstances where the client provides the Company with a specific instruction as to how to execute an order and the Company has accepted this instruction, then the Company will execute the order in accordance with that specific instruction.

Nevertheless, if the client provides a specific instruction to carry out an order, then by executing that order the Company will be complying with the Company's duty to provide the client with best execution. This may result in being unable to follow the Company's order execution policy for that particular order.

## VII. Execution Venues

Execution venues are the entities to which the orders are placed or to which the Company transmits orders for execution. The Execution Venue for clients' orders will be duly authorised investment firms. The Client acknowledges that the transactions entered into with the Company for the financial instrument provided by the Company are undertaken through the trading platform of the Company. The Orders will be executed on an 'over the counter' basis rather than on a regulated market or a Multilateral Trading Facility and the Client is exposed to a greater risk of a possible default of the counterparty (i.e. the Company). The Company reserves the right to decline the execution of an order, or to change the opening or closing price of an order in case of any technical failure of the trading platform, quote feed or any other unforeseen event. The terms and conditions and trading rules are established solely by the counterparty which in this case is the Company. The Client is obliged to close an open position of any given Financial Instruments during the opening hours of the Company's Electronic Trading Platform. The Client also has to close any position with the same counterparty with whom it was originally entered into, thus the Company.

## **VIII. Pricing**

The Company will provide its own tradable prices which are derived from independent price providers. The main way in which the Company will ensure that the client receives the best execution will be to ensure that the price provision to the client is made with reference and compared to a range of underlying price providers and data sources. The Company reviews its independent price providers at least once a year to ensure that correct and competitive pricing is offered.

## **IX. Costs**

When the client opens a position in some types of financial instruments a commission or a financing fee will apply.

## **X. Size of order**

All orders are placed in monetary value. The client will be able to place his order as long as he has enough balance in his trading account. If the client wishes to execute a large size order, in some cases the price may become less favourable considering the feed obtained from its price provider.

## **XI. Speed**

Obviously, prices change over time. The frequency with which they do varies with different financial instruments and market conditions. Considering that the tradable prices which are distributed via the Company's trading platform/terminal, technology used by the client to communicate with the Company plays a crucial role. 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/terminal. The result for the client is to place his orders at a delay and the order to be executed at better or worst prevailing market price offered by the

Company via its platform/terminal.

## **XII. Likelihood of execution**

Due to the levels of volatility affecting the underlying instrument's price, the Company seeks to provide client orders with the fastest execution reasonably possible.

## **XIII. Likelihood of settlement**

The Company shall proceed with the settlement of all transactions upon the execution and/or time of expiration of the specific transaction.

## **XIV. Market Impact**

The Company's quoted prices which are derived from its independent price providers may be affected by various factors which could also affect the abovementioned factors. The Company will take all reasonable factors to ensure the best possible result for its clients.

## **XV. Conclusion**

Appropriate information is provided to the client on the content of the execution policy. The prior consent of the clients is obtained regarding the documented order execution policy to be followed. In addition, a clear and prominent warning is disclosed to the Company's clients (within the Client Agreement) that any specific instruction from a client may prevent the Company from taking the steps that it has designed and implemented in its execution policy for obtaining the best possible result for the execution of those orders in respect to the elements covered by those instructions.

Adequate information is provided to the clients through this policy in relation to the factors that are taken into consideration by the management when handling clients' orders. Also, the policy is reviewed periodically by the Company and the clients are informed accordingly in relation to any

material changes.