



**ORDER EXECUTION POLICY  
CFD & INVESTOR ACCOUNT**

## GENERAL TERMS

### 1. INTRODUCTION

Trading.com Markets EU Limited operating under the trading name “trading.com” is a Cypriot Investment Firm (“CIF”) registered with the Registrar of Companies in Nicosia under the number: HE 328593 and is regulated by the Cyprus Securities & Exchange Commission (“CySEC”) under license number 256/14 (hereinafter called the “Company”, or “we”, or “us”, or “our”, as appropriate).

### 2. LEGAL AND REGULATORY REQUIREMENTS

**2.1. MiFID II:** The Company is operating under the provisions of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as the same may be in force from time to time and modified or amended from time to time (the “Markets in Financial Instruments Directive (2014/65/EU)” or “MiFID II”), which was transposed into Cypriot Law, the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017).

Under the above legislation and other supplementary regulations, the Company is required to take all sufficient steps to obtain the best possible result when executing your orders, taking into account a range of factors. This is referred to as providing you with “best execution”.

**2.2. Order Execution Policy:** Following the implementation of the MiFID II and in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017), the Company shall provide its clients and potential clients with a summary of its Order Execution Policy (hereinafter the “Policy”). This Policy sets out our approach for carrying out Orders from origination to execution, the venue we use and an explanation of how the different factors influence our execution approach, so that we can obtain the best possible result when executing your Orders.

### 3. SCOPE OF APPLICATION

**3.1. Policy:** The Policy forms part of the Client Agreement/Terms and Conditions of Business (hereinafter “Agreement”), and shall govern your relationship with the Company, including any orders you place with us in respect of the Financial Instruments (or simply “products”) we offer. It is intended to be read alongside our Agreement and the other documents that form our Agreement. Therefore, by agreeing with the Client Agreement/Terms and Conditions of Business, which is a contractually binding agreement between you and the Company, you are also agreeing to the provisions of the Policy. If there is any inconsistency between this Policy and our Agreement, this Policy shall prevail. Unless separately defined in this document, words and expressions have the meanings given to them in our Agreement.

**3.2. Client Categorisation:** The Policy applies to “retail” and “professional” Clients only. Therefore, if the Company classifies you as an “eligible counterparty”, this Policy does not apply to you.

### 4. TYPES OF FINANCIAL INSTRUMENTS

**4.1. Types of Financial Instruments:** This policy applies when executing orders on your behalf on Financial Instruments offered by the Company. It is up to the Company’s discretion to decide which types of Financial Instruments to make available and to publish the prices at which these can be traded.

The products offered by the Company fall under the class of Financial Instruments of Over-the-Counter Derivatives on an underlying financial instrument and more specifically the offering of Contracts for Difference (“CFD”) for which specific details can be found in **Section A** and Transferable Securities and more specifically dealing on shares for which specific details are outlined in **Section B**.

## 5. EXECUTION FACTORS AND CRITERIA

**5.1. Best execution factors:** It is our regulatory obligation to take all sufficient steps to obtain, when executing Orders, the best possible result for our clients taking into account price, costs, speed, likelihood of execution, size, nature or any other consideration relevant to the execution of the Order. The Company determines the relative importance of the above factors by using its commercial judgment and experience in the light of the information available on the market and taking into account the following criteria:

- the characteristics of the Client, including the categorisation of the client as retail or professional;
- the characteristics of the Client Order;
- the characteristics of Financial Instruments that are the subject of that Order; and
- the characteristics of the Execution Venues to which that order can be directed.

For retail clients, the best possible result (or “*Best Execution*”) shall be determined in terms of the total consideration, representing the price of the Financial Instrument and the costs related to execution.

In view of the above, 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 prices by taking into consideration the execution factors and their relevant importance in the order presented below:

### 1. Price

Our price quotes of Financial Instruments are displayed on our Trading Platform and are updated as frequently as the limitations of technology and communication allow.

We do not charge commission when executing Orders. However, costs related to FX conversions will apply if purchasing Financial Instruments in a currency other than your deposit currency. All relevant fees will be disclosed to you before the transaction occurs and will vary in line with market fluctuations. Other applicable taxes or fees (e.g., stamp duty) will be applied in accordance with the relevant governing body and will be visible to you in the Trading Platform prior to placing an Order. We aim to obtain the best possible price under prevailing market conditions, factoring in liquidity and bid-ask spreads.

### 2. Cost

Any expenses related to the execution of Orders, including commissions, exchange fees, clearing fees, regulatory charges, and any other associated costs. We seek to minimise costs without compromising execution quality.

### 3. Speed of Execution

The time taken to execute an Order, which can be crucial in volatile markets. The speed of execution primarily depends on the availability of prices from third parties, the size of the order and the factors impacting the underlying market. We strive to execute client orders promptly while balancing other execution factors.

#### 4. Likelihood of Execution

The Company strives to execute, in whole, all Orders placed by its Clients. However, it reserves the right to decline or partly fill in any Order or to execute the order at the first available market price without providing any justification to Client.

#### 5. Likelihood of settlement

The Company proceeds with the settlement of all Client Orders upon their successful execution.

#### 6. Size of order

The minimum and maximum size of an Order is **detailed in our website**. The size may vary based on each type of Financial Instrument. The Company reserves the right to decline an Order as explained in the Client Agreement/Terms and Conditions.

The Company makes every effort to fill in the Order of the Client in full, irrespective of its size. However, this may be achieved at the best available price rather than at the Client's requested price due to market conditions (e.g. market liquidity) at the time of execution. (See: Likelihood of execution).

For large or illiquid transactions, we may prioritise price over speed and may only accept execution after managing market exposure.

#### 7. Rapid Market Impact

Some market factors may affect rapidly the Company's quoted price of the Financial Instruments. These factors may, in turn, affect some of the other execution factors listed above. The Company takes all reasonable 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 the specific instruction.

**5.2.** Depending on the type of account you hold with us (Investor and/or CFD), not all of these criteria will be relevant in each case or equally relevant to our relationship.

#### 6. SLIPPAGE AND MARKET GAPS

Slippage is the difference between the expected price of a trade, and the price at which the trade was actually executed at. Slippage may occur when the market suddenly moves in any direction and when the time taken for a client's order to be accepted at the price chosen, that price is no longer available and the client's trade is executed at the best price available at that time.

The above applies in the event of either favourable or unfavourable price movements. Specifically, 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 the Company's 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. Slippage may appear with all types of accounts we offer. It is noted that slippage may also occur during 'Stop Loss', 'Take Profit', and other types of similar orders. We cannot guarantee the execution of your Pending orders at the price specified. However, we assure you that your order will be executed at the next best available price from the price you have specified with your pending order.

The Company carries out certain quality checks using in-house tools to monitor slippage including, inter alia, symmetric slippage, number of trades subject to slippage and comparison of the average speed of execution with market standards in order to improve speed and likelihood of execution.

A market gap is a sudden price movement with no trading in between. It often occurs when a market opens after a closed period or when trading is suspended due to exchange rules. If a market gap occurs, orders will be executed as soon as reasonably possible under prevailing liquidity conditions. The execution price may differ from the order price or other market prices available elsewhere.

## **7. REVIEW, ONGOING MONITORING & RECORD KEEPING**

### **7.1. Review of Policy**

The Company shall review this Policy on annual basis and whenever there is a material change<sup>1</sup>, as defined below, that could impact parameters of best execution. During the review of this Policy, we endeavour to ensure its effectiveness, to ensure that we continue to comply with our regulatory obligations and that intended best execution outcomes can be successfully achieved on an on-going basis. If at any time we identify any deficiencies, we shall take appropriate remedial action and, where necessary, we shall amend this Policy to give effect to the action we have carried out. Amendments to this Policy shall be effective immediately. You can always find the latest published version of this Policy on the Company's website under the Legal Documents section.

### **7.2. Customer communications**

We shall notify you of any material changes to our Order Execution Arrangements or this Policy by means of electronic communication (e.g., e-mail, notification in your 'Members Area', etc). Material Change in regard to this policy shall be a significant event that could impact parameters of best execution such as, inter alia, price, cost, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

We shall also provide you, within a reasonable time, should you request it, documented evidence which demonstrates clearly that we have executed your Orders in accordance with this Policy and information about our Order Execution Arrangements.

### **7.3. Record keeping**

For the purpose of this Policy, we shall maintain records of the prices for individual financial instruments shown on our Electronic Trading Platform, including details about costs, speed and likelihood of execution, for a minimum period of five (5) years. We shall also keep records which evidence our ongoing monitoring of best execution and which demonstrate our compliance with best execution obligations to any Competent Authority, as and when required, for a minimum period of two (2) years.

By trading with us, you shall be taken as having agreed to the contents of this Policy.

## 8. EXECUTION OF ORDERS

**8.1. Execution of orders outside a Trading Venue:** Under the Applicable Laws, if a Financial Instrument is admitted to trading on a Regulated Market, Multilateral Trading Facility (MTF), or Organised Trading Facility (OTF), we may execute orders outside these venues where we believe it is in your best interest. In such cases, we are required to obtain your prior express consent. By agreeing to our Terms and this Policy, you consent to the possibility of your orders being executed outside these trading venues.

We may execute client Share Dealing Orders (see Section B below) and will execute client CFD Orders (see Section A below) outside a Regulated Market or MTF. This approach allows us to consistently source the best price for your orders; however, it introduces greater counterparty and settlement risk compared to trading on an exchange.

Orders executed outside a Regulated Market, MTF or OTF will comply with our best execution obligations and will not disadvantage you.

**8.2. Rules and procedures:** The rules and procedures governing access and use of the Trading Platforms are established, maintained and may be amended solely by the Company. The Client is obliged to close an open position of any given Financial Instruments during the opening hours of the Company's Trading Platform. All relevant rules and procedures are described in the Agreement.

**8.3. Specific instructions:** If you provide us with specific instructions on how to execute your Orders, our resulting compliance with these instructions may prevent us from following the execution factors set out in Section 5 above. These factors are intended to provide you with the best possible result (or "*Best Execution*"). Notwithstanding, where there is a specific instruction from you to execute a particular Order, we shall execute the Order following such specific instruction. Accordingly, this Policy shall **not** apply.

## SECTION A TRADING IN CFDS

This section applies to CFD accounts and orders placed by the clients using our CFD services.

### 9. EXECUTION OF ORDERS

**9.1.** We execute each order you place with us in Financial Instruments **provided** by us, by always being your counterparty; we act as a principal and not as an agent on your behalf. Please note that the Instruments we provide you are, unless otherwise agreed, cash settled rather than physically settled.

**9.2.** The prices on which you trade with us are the prices shown on our Electronic Trading Platforms. The Company's price for a given Financial Instrument is calculated by reference to the price of the respective Financial Instrument which the Company obtains from its third party liquidity providers. More specifically, prices from liquidity providers are quoted in real time for the Company to offer the best possible BID and ASK prices to Clients and the Company's electronic pricing engine allows for price updates on every Financial Instrument multiple times per second, as long as the limitations of technology and communications links allow.

**9.3.** The transactions entered in CFDs with the Company are not executed on a Trading Venue (Regulated market, Multilateral Trading Facility and Organised Trading Facility), rather they are executed by the Company, through its Electronic Trading Platform, which is **NOT** a Trading Venue, and as such may expose the Client to greater risks than those of a Trading Venue. Therefore, the Company may not execute an order or may change the opening (closing) price of an order in case of a technical failure of the Trading Platform or of quote feeds. Please refer to our **Risk Disclosure for Financial Instruments** for more information.

Your agreement to this Policy shall constitute your **prior express consent** for us to execute your orders **outside a Trading Venue**.

### 10. TYPE OF EXECUTION ORDERS

**10.1. Market Order versus Pending Order:** The Client is given the option to place with the Company the following types of executions orders:

- **Market Order:** The Client places a "*Market Order*" which is an order instantly executed against a price that the Company has provided. The client may attach to a Market Order a '*Stop Loss*' and/or '*Take Profit*'. Stop Loss is an order to limit Client's loss when the price moves against the client, whereas Take Profit is an order to take profit if and when the Client's target profit is reached.
- **Pending Order:** The Client places a "*Pending Order*", which is an order to be executed at a later time at the price specified by the Client. The Company's trading facility monitors the pending order and when the price provided by the Company reaches the price specified by the Client, the order will be executed at that price. The following types of Pending Orders are available:
  - '**Buy Limit**' which is the placing of an order to buy a Financial Instrument at or below a specified price;

- **'Buy Stop'** which is the placing of an order to buy a Financial Instrument at a price above the one currently provided, and it is triggered when the market price touches or goes through the buy stop price;
- **'Sell Limit'** which is the placing of an order to sell a Financial Instrument at a specified price or better; and
- **'Sell Stop'** which is the placing of an order to sell a Financial Instrument when it reaches a certain price.

The Client may attach to a Pending Order a 'Stop Loss' and/or a 'Take Profit'. In case that the Client has no balance and no transactional activity (trading/withdrawals/deposits) in his trading account for thirty (30) consecutive calendar days, any Pending Orders may be deleted.

**10.2. Maximum number of open positions:** Any client may, concurrently, hold or place up to a **total of 300 orders**, i.e., Market Orders and Pending Orders.

**10.3. Modification of an order:** The Client may modify an order *before* it is being executed. The Client **cannot** change or remove a 'Stop Loss', 'Take Profit' and 'Pending Orders' if the price has reached the level for order execution.

## 11. EXECUTION VENUE

**11.1. Definition of Execution Venue:** Execution Venues are the entities with which the orders are placed for execution or to which the Company itself transmits orders for execution.

**11.2. Company as the Execution Venue:** For the purposes of Client orders in CFDs provided by the Company, the Company is always the counterparty (or 'principal') to all of your trades. Therefore, the Company is the sole Execution Venue for the execution of the Client's orders. Should the Client decide to open a position in a Financial Instrument with the Company, then that open position may only be closed with the Company.

**11.3. Operating hours:** The Company's operating hours are as follows:

- **Round - the - clock:** from Monday 00:00:01 A.M. Cyprus Time (GMT +2) through Friday 00:00:00 P.M. Cyprus Time (GMT +2).
- **Non-working hours:** from Saturday 00:00:01 A.M. Cyprus Time (GMT +2) through Sunday 00:00:00 P.M. Cyprus Time (GMT +2) and also on national bank holidays. Holidays are announced through the internal mail of the trading terminal supplied by the Company.

## SECTION B SHARE DEALING

This section applies to Investor accounts and orders placed by the clients using our Share dealing services.

### 12. EXECUTION OF ORDERS

**12.1.** We may act as an agent and route your orders directly to one of our nominated third-party brokers for execution at an available venue or will act as a principal and execute your orders directly. You will always be informed of the execution venue following the execution of the Order.

When your orders are being executed through us directly, this means that we facilitate the execution of client orders by executing them from our own inventory, rather than routing them to external venues. We ensure best execution by matching upon the best available bid and ask prices on the reference exchange at the time of order execution.

All orders placed under the share dealing services are processed in accordance with our best execution obligations and this Policy. Orders are executed promptly, subject to market conditions, liquidity, and trading venue availability. Execution speed and price depend on external market factors and order type. In cases of extreme market volatility or low liquidity, orders may be subject to delays, partial execution, or rejection.

**12.2.** The prices on which you trade with us are the prices shown on our Electronic Trading Platforms. We obtain these prices from a range of third-party reference sources. The Company reviews its third-party external reference sources regularly to ensure that the data obtained is as timely and accurate as can be.

The prices shown on the Trading Platform should be regarded as an indication of the live market price rather than a fixed quotation of the relevant Financial Instrument. The price quotes shown may vary at the time of execution, particularly for Market Orders. This means that the price you see on our Trading Platform may differ from the price at which your order is executed, due to factors such as movements in the foreign exchange market between when you place your order and when it is executed. This may occur if there is a delay between placing your order and its execution.

### 13. TYPE OF EXECUTION ORDERS

**13.1. Market Order versus Pending Order:** The Client is given the option to place with the Company the following types of executions orders:

- **Market Order:** The Client places a “*Market Order*” which is an order instantly executed against a price that the Company has provided.
- **Pending Order:** The Client places a “*Pending Order*”, which is an order to be executed at a later time at the price specified by the Client. The Company’s trading facility monitors the pending order and when the price provided by the Company reaches the price specified by the Client, the order will be executed at that price. The following types of Pending Orders are available:
  - ‘**Limit Orders**’ which is the placing of an order to buy or sell a Financial Instrument at or below a specified price. Your order will remain pending if the market does not reach your limit price;

- **'Stop Orders'** which is the placing of an order to buy or sell a Financial Instrument at a price above the one currently provided, and it is triggered when the market price touches or goes through the specified price;

**13.2.** Market conditions may impact the execution time of all order types. Orders are executed in sequence, but execution is not guaranteed, even if the specified Limit or Stop Price is reached. We are not liable for any actual or potential losses resulting from execution delays. Additionally, Stop Orders may be executed at a price different from the Stop Price due to market fluctuations. We may, at our discretion, impose temporary or permanent restrictions on certain order types or specific investments based on market conditions.

**13.3. Modification of an order:** The Client may modify an order *before* it is being executed. The Client **cannot** change or remove 'Pending Orders' if the price has reached the level for order execution.

## 14. EXECUTION VENUES

**14.1.** We may direct client Share Dealing orders to different executing venues, which allows it to consistently obtain the best possible result for the execution of client orders. Orders are routed to the most appropriate venue based on factors such as price, liquidity, and cost, ensuring compliance with best execution obligations.

**14.2.** Such venues are subject to change as the Company sees fit and shall include, amongst others Regulated Exchanges, Multilateral Trading Facilities (MTFs), Systematic Internalisers, executing brokers and other liquidity providers. An indicative list of the execution venues upon which the Company places significant reliance is added below, which is subject to change at any time:

(a) CMC Markets UK Plc

**14.3.** We continuously assess venue performance to ensure optimal execution for our clients and periodically reviews which execution venues it uses, considering, amongst other factors, the firm's reputation, the number of liquidity pools/regulated markets/MTFs accessible via the venue

**14.4.** Where we execute the orders directly, (please refer to 12.1. above for more information), we will regularly review our performance in relation to best execution delivery against executions available via other trading venues and assess whether additional sources of quotations could improve the execution performance for our clients.