



ORDER  
EXECUTION POLICY

### Table of Contents

<b>1. INTRODUCTION</b>	<b>2</b>
<b>2. SCOPE AND SERVICES</b>	<b>2</b>
<b>3. BEST EXECUTION</b>	<b>2</b>
PRICE	3
COSTS	3
CURRENCY CONVERSION	3
SPEED OF EXECUTION	4
LIKELIHOOD OF EXECUTION	4
LIKELIHOOD OF SETTLEMENT	4
SIZE OF ORDER	4
MARKET IMPACT	5
<b>4. EXECUTION VENUES</b>	<b>5</b>
<b>5. MONITORS AND REVIEW</b>	<b>6</b>
<b>6. CLIENT CONSENT</b>	<b>6</b>
<b>7. IMPORTANT INFORMATION</b>	<b>6</b>
<b>8. NO FIDUCIARY DUTY</b>	<b>7</b>
<b>9. SPECIFIC INSTRUCTIONS</b>	<b>7</b>

## **1. INTRODUCTION**

FxStat Ltd is authorised and regulated by the Financial Conduct Authority in the United Kingdom under FCA Firm Reference Number 537787. FxStat is a company registered in England and Wales under registered number: 07212997. Henceforth, by agreeing to the terms of FxStat Ltd you will also be acknowledging to agree with the terms and conditions of FxStat Ltd.

The Company provides Internet based services, including (i) brokerage, (ii) software, (iii) investment management and (iv) ancillary services at [www.fxstat.com](http://www.fxstat.com) (the "Company's Website". The Company operates online trading platforms for trading in financial instruments (the "Trading Platform"). Information regarding the full range of products the Company offers can be found on the Company's website. Further information about the Company can be found on the FCA's website. Following the implementation of the Markets in Financial Instruments Directive (MiFID) in the European Union and in accordance with section 11.2 of the FCA's Conduct of Business Sourcebook, the Company is required to provide its clients and potential clients with a summary of its Order Execution Policy (the "Execution Policy"). Under the above legislation, the Company is required to take all reasonable 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. These rules require firms to put in place an execution policy that sets out how it will obtain best execution for its Clients (as defined in the Client Agreement) and to provide appropriate information to its Clients on its order execution policy. This Execution Policy forms part of the Client Agreement therefore, by entering into the Client Agreement with the Company, the Client is also agreeing to the terms of FxStat's Order Execution Policy relating to financial instruments provided by the Company, the contract specifications of which are available online at [www.fxstat.com](http://www.fxstat.com) (the "Financial Instruments"). Unless otherwise defined, any defined terms in this Execution Policy will have the same meaning given in the FCA Handbook. Unless otherwise defined on the Schedules hereto, the terms used in this Execution Policy shall have the same meaning given in the Client Agreement and/or in the FCA Handbook.

## **2. SCOPE AND SERVICES**

The Execution Policy is effective from April 2014 and applies to both Retail and Professional Clients.

This Execution Policy applies when executing transactions with the Client for the Financial Instruments provided by the Company. It is 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 Company, through the Trading Platform, provides the Client with live streaming prices, "Quotes", as received from its third party liquidity providers. The Company is always the counterparty (or principal) to every trade; therefore if the Client decides to open a position in a Financial Instrument with the Company, then that open position can only be closed with the Company.

## **3. BEST EXECUTION**

The Company shall take all reasonable steps to obtain the best possible result for its Clients taking into account the following factors when executing Clients orders against the Company's quoted prices. Prices, costs and currency conversion carry the highest importance when executing transactions for the Company's Clients.

## Price

**Bid – Ask Spread:** 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 (go short) that Financial Instrument; collectively referred to as the Company's prices. The difference between the lower and the higher price of a given Financial Instrument is the "Spread".

**Pending Orders:** 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 underlying Financial Instrument which the Company obtains from third party liquidity providers. The Company updates its prices as frequently as the limitations of technology and communications links allow.

The Company will not quote any price outside Company's operations time (see execution venue below) therefore no orders can be placed by the Client during that time. Trades are routed directly to liquidity providers through an electronic execution system. This system automatically requests a quote from a selection of liquidity providers. In conjunction with the price, the Company quotes the available liquidity, (or market depth), as obtained from its party liquidity providers. The Company's software will automatically aggregate all available liquidity at the best possible prices available and fill at the Volume-Weighted Average Price ("V.W.A.P.")

## Costs

For opening a position in some types of Financial Instruments the Client may be required to pay commission or other fees, if applicable; these amounts are disclosed in the contract specifications available in the Company's website.

**Commissions:** Commissions will be charged as a fixed amount, details of which can be found on the Company's website.

**Financing Fee:** In the case of financing fees, the value of opened positions in some types of Financial Instruments is increased or reduced by a daily financing fee "swap" throughout the life of the contract. Financing fees are based on prevailing market interest rates, which may vary. Details of daily financing fees applied are available on the Financial Instruments Contracts Specifications section in the Company's website.

For all types of Financial Instruments 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's account.

## Currency Conversion

The Company may provide a currency conversion quote from the Client's base currency to the currency of the relevant Financial Instrument. This will not reflect an actual conversion of currency in the Client's account, and serves the purpose of calculating consideration in the base currency only.

## **Speed of Execution**

In accordance with Section 4 of this Execution Policy, the Company acts as principal and not as agent on the Client's behalf; therefore, the Company is the sole Execution Venue for the execution of the Client's orders for the Financial Instruments provided by the Company. The Company places significant importance when executing Client's orders and strives to offer high speed of execution within the limitations of technology and communications links. The use of wireless connection or dial-up connection or any other form of unstable connection at the Client's end, may result in poor or interrupted connectivity or lack of signal strength causing delays in the transmission of data between the Client and the Company when using the Company's electronic trading platform, for which the Company will not be held liable.

## **Likelihood of Execution**

As described in Section 4 of this Execution Policy, the Company acts as principal and not as agent on the Client's behalf therefore, the Company is the sole Execution Venue for the execution of the Client's orders for the Financial Instruments provided by the Company. However the Company relies on third party liquidity providers for prices and available volume and transmits orders to these counterparties, therefore execution of the Client's orders will depend on the pricing and available liquidity of the providers. Although the Company executes all orders placed by the Clients, it reserves the right to decline an order of any type. Orders: Market Order, Buy Limit, Sell Limit, Sell Stop, Buy Stop, Stop Loss, Take Profit on Financial Instrument are executed in the manner explained in the Order Execution section below. It should be noted that the price at which a trade is executed at may vary significantly from original requested price during abnormal market conditions. This may occur, for example, at the following cases:

- During market opening;
- During news releases;
- During volatile markets where prices may move significantly up or down and away from declared price;
- Where there is 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; and
- If there is insufficient liquidity for the execution of the specific volume at the declared price. The Company strives to provide the best possible price to its Clients and makes every effort and necessary arrangements to do so.

## **Likelihood of Settlement**

The Company shall proceed to a settlement of all transactions upon execution of such transactions.

## **Size of Order**

The minimum size of an order is 1,000 units of base currency. Although there is no maximum size of an order the Client can place with the Company, the Company reserves the right to decline any order as explained in the agreement entered with the Client. The Company makes every effort to fill the order of the Client irrespective of the volume however, if this is achieved, it may be at a best available price, as the market liquidity may allow at the time of execution.

## Market Impact

Some volatile factors may affect the price of the underlying financial instruments from which the quoted Company price for its Financial Instruments is derived. These factors may influence some of the factors listed above. The Company will take all reasonable steps to obtain the best possible result for its Clients. The Company does not consider the factors quoted in this policy as exhaustive and priority shall be inferred. 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. The Company will determine 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 criteria described below:

- The characteristics of the Client including the categorisation of the Client as Retail or Professional, in that:
  - i. The characteristics of the Client order;
  - ii. The characteristics of financial instruments that are the subject of that order;
  - iii. The characteristics of the execution venues to which that order can be directed.

The best possible result for a Client 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. The Company cannot provide a guarantee that, when executing an order, the Company's price will always be better than one which is or might have been available elsewhere.

## 4. EXECUTION VENUES

Although the Company will transmit the Client's orders for execution to third party liquidity providers (matched-principal), contractually the Company is the sole counterparty to the Client's trades and any execution of orders is done in the Company's name, therefore the Company is the sole Execution Venue for the execution of the Client's orders.

Execution Venues are the entities with which the orders are placed or to which the Company transmits orders for execution. For the purposes of orders by the Client for the Financial Instrument provided by the Company, the Company acts as matched-principal in all dealings and as the sole execution venue for the Client's orders which may or may not be executed on a regulated exchange or multilateral trading facility.

The Company's operation time is continuous from 22:00:01 GMT Sunday through to 21:00:00 GMT Friday. Non-working periods are 21:00:01 GMT Friday through 21.00.00 GMT Sunday. Holidays will be announced through the internal mail of the trading terminal supplied by the Company.

The Company places significant reliance to the above Execution Venue based on the above mentioned factors and their relative importance. It is the Company's policy to maintain such internal procedures and principles in order to determine the relative importance of these factors and to act for the best interest of its Clients and provide them the best possible result (or "best execution") when dealing with them.

The Client acknowledges that the transactions entered in Financial Instruments with the Company are not undertaken on a recognised exchange, rather they are undertaken through the Company's Trading Platform and, accordingly, they may expose the Client to greater risks than regulated exchange transactions. Therefore, the Company may not execute an order, or it may change the opening or closing price of an order in certain cases including but not limited to instances of a technical failure of the trading platform. 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 Trading Platform. The Client also has to close any position with the same counterparty with whom it was originally entered into, thus the Company.

## **5. MONITORS AND REVIEW**

The Company will monitor and assess on a regular basis the effectiveness of this Execution Policy and the order of its order execution arrangements and, in particular, the execution quality of the procedures explained in the Execution Policy in order to deliver the best possible result for the client, and, where appropriate, the Company reserves the right to correct any deficiencies in this Execution Policy and make improvements to its execution arrangements. In addition, the Company will review the Execution Policy as well as its order execution arrangements at least annually. A review will also be carried out whenever a material change occurs that affects the ability of the Company to continue to the best possible result for the execution of its client orders on a consistent basis using the venues included in this Execution Policy. The Company will notify its affected Clients on any material changes in its Execution Policy or order execution arrangements.

## **6. CLIENT CONSENT**

When establishing a business relationship with the Client, the Company is required to obtain the Client's prior consent to this Execution Policy. By entering into the Client Agreement, the Client provides the consents referred to above where the Client is informed that any orders placed with the Company for the Financial Instruments offered by the Company, the Company acts as the principal and as the sole Execution Venue for the Client's orders which may or may not be executed on a regulated exchange or multilateral trading facility. For the avoidance of doubt, the Client expressly acknowledges that the EU Distance Marketing Directive 2002/65/EC does not require the Client Agreement to be signed by either the Client or the Company in order for both the Client and the Company to be legally bound by it. When, having been provided with a copy of this document or having had the opportunity to review it on our website, you give us an order to execute a transaction on your behalf you will be deemed to have given your consent for your orders to be undertaken in accordance with this Policy.

## **7. IMPORTANT INFORMATION**

Some products offered by the Company may not be eligible for sale in certain jurisdictions or countries. The Execution Policy is not directed to any jurisdiction or country where its publication, availability or distribution would be contrary to local laws or regulations, including the United States of America. The Policy does not constitute an offer, invitation or solicitation to buy or sell CFDs. It may not be reproduced or disclosed (in whole or in part) to any other person without prior written permission of the Company's Compliance Department. The Policy is not intended to constitute the sole basis for the evaluation of the client's decision to trade in Contracts for Difference (CFDs).

**8. NO FIDUCIARY DUTY**

The Company provides the Client with access to the Trading Platform and are not acting in any other capacity including as an agent or as a fiduciary. The Company's commitment to provide the Client with "best execution" does not mean that the Company owes the Client any fiduciary responsibilities over and above the specific regulatory obligations placed upon the Company or as may be otherwise contracted between the Company and the Client.

**9. SPECIFIC INSTRUCTIONS**

If you provide us with a specific instruction to deal for you it may prevent us from following our Order Execution Policy, which is designed to get the best overall result for the execution of orders on a consistent basis. This policy will be reviewed whenever a material event occurs and in any event annually