



**Order Execution
Policy
Market Execution**

ORDER EXECUTION POLICY - ZERO FIXED SPREAD

1 Introduction

Notesco UK Limited (hereafter the “Company”), whose registered office is at Broadgate Tower, 20 Primrose Street, London – EC2A 2EW, United Kingdom and is authorised and regulated in the conduct of its activities by the FCA under license number 585561.

FXGiants is a trade name of Notesco UK Limited. Following the implementation of the Markets in Financial Instruments Directive (MiFID) as well as the FCA Handbook as at the date of this policy, the Company has established its Zero Fixed Spread Order Execution Policy (the “Policy”). The Company is required to set up this Policy and to take all reasonable steps to obtain the best possible results for its clients (“best execution”) either when executing client orders or receiving and transmitting orders for execution in relation to financial instruments. The Policy sets out a general overview on how it will obtain the best execution for its clients and the factors as stated below that can affect the execution of a financial instrument.

The Company applies the Policy upon acceptance of an order and also when a client gives no specific instruction on the execution method. Nevertheless, when the client gives 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 Scope

The Policy shall apply whenever the Company executes orders on behalf of its clients. The Company will always act as principal (counterparty) when executing client orders. Despite the fact that the Company takes every reasonable step to obtain the best possible result for its clients, it does not guarantee that when executing a transaction the client’s price will be more favourable than one which might be available elsewhere.

3 Execution criteria and relevant factors

The Company is required to take a number of different factors into consideration when executing an order for the client. The factors that the the Company will consider are listed below:

3.1 Price

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

3.2 Costs

When the Client opens a position in some types of financial instruments a commission or a financing fee will apply. The details of these costs are available in the Contracts Specifications on the Company's website. The Company takes steps to ensure that the client is informed of the costs, (i.e. the spread and commission rates) before the client elects to trade. The Company further ensures that there are not any unknown to the Client variables in place.

3.3 Speed

The Company strives to offer the highest possible speed of execution within the limitations of technology and communication links. Prices change over time and 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(s), the 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(s), resulting to the client placing his orders at a delay and the orders to be executed at better or worst prevailing market price offered by the Company via its platform(s).

3.4 Nature of the order

The particular characterising of an order can affect the execution of the client's order. Please see below the different kinds of orders that a client can place:

- **Market Order**

This is an order to buy or sell at the price available at a given time. The order will usually be filled at the price the client sees on the Company's trading platform screen, which are derived from the liquidity provider(s) using the Company bridge technology. Occasionally, if the market has moved while the client is placing his order, the price may differ. The client may also place a Loss/Stop Loss to limit his loss or a Take Profit/Limit to limit his profit.

- **Pending Order**

This is an order to buy or sell a financial instrument in the future at the best available price once a certain price is reached. There are four types of pending orders available in the Company's trading platform(s): Buy Limit, Buy Stop, Sell Limit and Sell Stop. Clients may also attach a Loss/Stop Loss and/or Take Profit/Limit on pending orders.

- **Trailing Stop Order/Trailing Order**

This feature allows the client to place a Loss/Stop Loss order to an open position and works in the client's terminal, which automatically updates to lock in profit while the market moves in the client's favour. Trailing Stop works in the client's terminal, not in the server (like Loss/Stop Loss or Take Profit/Limit) and this is the reason it will not work, unlike the above orders, if the terminal is off.

3.5 Size of order

All orders are placed in lot sizes. A lot is a unit measuring the transaction amount and it is different per each financial instrument. Details of the lot sizes are available in the Contracts Specifications available on the Company's website.

If the client wishes to execute a large size order, in some cases the price may become less favourable considering the liquidity in the market. The Company reserves the right not to accept a client's order, in case the size of the order is large and cannot be filled by the Company

3.6 Likelihood of execution

The Manifest Errors affect both price and volume. The Company seeks to provide its clients with the fastest execution reasonably possible. All clients' orders except pending orders are executed at the available current market prices. Clients' pending orders are executed by the Company at the requested price. However, under certain market conditions (i.e. due to limited volume in the market), orders may not be filled at the exact price requested but instead, at the best available market price offered by the Company derived from its liquidity providers. 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.

3.7 Market Impact

The Company's quoted prices which are derived from liquidity providers may be affected by various factors which could also affect the abovementioned parameters, criteria which are taken into consideration during the Company's process to ensure the best possible result for its clients. As stated above, the Company will at all times take all reasonable steps to ensure the best possible result for its clients.

The Company does not consider the above list of parameters to be exhaustive. The order in which they are presented however, indicates their relative importance in the best execution process without excluding the possibility of derogations from the above mentioned process in cases where the best interests of the client criterion justifies such derogations.

3.8 Best Execution Criteria

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

- the characteristics of the client;
- 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.

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

4 Effect of other factors on the execution of an order

The Company reserves the right to modify the Company spread and the client may experience widened spreads and execution at the best available price under certain market conditions (for example, fundamental announcements, where there is a fast moving market or low liquidity). Most trades will be automatically priced and executed by the Company's automated internal trading systems. However, depending on factors, for example, unusual market conditions or the size and nature of the client order a financial instrument may be manually priced and/or an order may be manually executed.

During times of high demand manual pricing and/or execution may cause delays in processing an order which in turn can have an impact on the price and speed at which the order is executed. The Company is committed to providing the most competitive trading technology and is striving to minimize the risk of delays.

In the case of any communication or technical failure, as well as any incorrect reflection on the quotes feed, the Company reserves the right not to execute an order or change the opening and/or closing price of a particular order.

5 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.

6 Execution venue

Execution venues are the entities to which the Company transmits orders for execution. The Company is connected to various EU or third country equivalent liquidity providers who forward their bids/asks prices to the Company. The Company ensures that no conflict of interest arises out of the selected liquidity providers.

In selecting its liquidity providers, the Company the Company evaluates the liquidity provider based on, the non-exhaustive list of criteria set-out below:

- The regulatory status of the liquidity provider;
- Competitiveness of commission rates and spreads;
- Ability to deal with large volumes;
- Promptness of execution;
- Credit risk rating;

The Company will enter into transactions with the client as principal (counterparty) and not as an agent; even though the Company may transmit the client's order to the liquidity providers for execution, due to risk parameters (i.e. clients with high volume, big equity, etc.), the Company will still be the contractually counterparty to the client. Therefore, the Company will act as the sole Execution Venue for clients' orders.

The client acknowledges that all transactions entered in any particular financial instrument with the Company are executed outside a regulated market or a multi-lateral trading facility (MTF) and the client is exposed to a greater risk of a possible default of the counterparty (i.e. the Company).

7 Review and Monitoring

The Company will monitor the effectiveness of the Policy and relevant order execution arrangements on an on-going basis in order to identify and implement any appropriate enhancements. In addition, the Company will regularly review (at least annually) the Policy and the relevant order execution arrangements in an attempt of examining whether they enable the Company to continuously provide the best execution for its clients.

The Company takes into account a range of factors in deciding whether to execute a Client's Order. These include price, costs, speed together with any other consideration relevant to the execution of the order. In determining the relative importance of these factors the Company will take into account the client's status, together with the nature of the order, the characteristics of the financial instruments to which order relates and the characteristic of the execution venues. Full details of the Company's liquidity and price providers can be found on the Company's website.

From time to time, it may be necessary to make changes to the Policy. It should be noted that the Company will not notify clients separately of changes, other than substantial material changes to the Policy and clients should therefore refer from time to time to the website of the Company at www.FXGiants.co.uk for the most up to date version of the Policy. Upon a request from a Client, the Company shall demonstrate that it has executed the Client's Order(s) in accordance with this Policy.

We set-out below a non-exhaustive list of factors that constitute a Material Change:

- Change of Execution Venues;
- Any changes to the relative importance of execution criteria and relevant factors;
- Incorrect prices compared to the average market price;
- Significant increase in the daily number of requotes;
- Significant delay in the execution of orders.

8 Client Consent

When establishing a business relationship with the client, the Company is required to obtain the client's prior consent to this Policy. In addition, the Company is required to obtain the client's prior consent before executing clients' orders or receiving and transmitting orders for

execution outside a regulated market or a multi-lateral trading facility (MTF). The client is informed that the Company always acts as principal (counterparty) and is the sole execution venue, which is not a regulated market or a multi-lateral trading facility (MTF).

The Company may obtain the above consents in the form of a general agreement. The Company will treat clients who have either received the Policy or agreed to receive the Policy electronically or via the internet and have accepted the Trading Terms and Conditions of the Company, as clients who have given their consent to the Policy as well as given consent to the Company to execute or receive and transmit an order for execution outside a regulated market or an MTF.

9 Definitions

Execution venue - means a regulated market, an MTF, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.

MiFID - means the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments and any implementing directives and regulations.

Multilateral trading facility (MTF) - means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments - in the system and in accordance with non-discretionary rules - in a way that results in a contract in accordance with the provisions of Title II of MiFID.

Regulated market - means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its nondiscretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID.

Systematic internaliser - means an investment firm which, on an organised, frequent and systematic basis, deals on own account by executing client orders outside a regulated market or an MTF.

Pending Order - pending order is the client's commitment to the brokerage company to buy or sell a security at a pre-defined price in the future. This type of orders is used for opening of a trade position provided the future quotes reach the pre-defined level. There are four types of pending orders available in the terminal examples of which can be found in Appendix to this Policy:

- **Buy Limit** - buy provided the future "ASK" price is equal to the pre-defined value. The current price level is higher than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having fallen to a certain level, will increase;

- **Buy Stop** - buy provided the future "ASK" price is equal to the pre-defined value. The current price level is lower than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having reached a certain level, will keep on increasing;
- **Sell Limit** - sell provided the future "BID" price is equal to the pre-defined value. The current price level is lower than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having increased to a certain level, will fall;
- **Sell Stop** - sell provided the future "BID" price is equal to the pre-defined value. The current price level is higher than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having reached a certain level, will keep on falling.

Loss/Stop Loss

Loss/Stop Loss order is used for minimizing of losses if the security price has started to move in an unprofitable direction. If the security price reaches this level, the position will be closed automatically. Such orders are always connected to an open position or a pending order. The brokerage company can place them only together with a market or a pending order. Terminal checks long positions with BID price for meeting of this order provisions (the order is always set below the current BID price), and it does with ASK price for short positions (the order is always set above the current ASK price).

To automate Stop Loss order following the price, one can use Trailing Stop.

Take Profit/Limit

Take Profit/Limit order is intended for gaining the profit when the security price has reached a certain level. Execution of this order results in closing of the 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. Terminal checks long positions with BID price for meeting of this order provisions (the order is always set above the current BID price), and it does with ASK price for short positions (the order is always set below the current ASK price).

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10. Appendix

Buy limit is an order that can be placed with the broker to enter into a long position (that is, to buy) an asset when price fall to specific level or below.



Buy stop is an order that can be placed with the broker to enter long when price rallies up to a specified level or above.



Sell Limit order is an order that can be placed at the broker to sell an asset when the price rallies up to or beyond a specified level from the current price.



Sell Stop is an order to sell an asset when the price drops down to a specified level from the current price.

