



Summary of Best Interest and Order Execution Policy

Tickmill Europe Limited

September 2018



1. Introduction

1.1. This Summary of Best Interest and Order Execution Policy ("the Policy") is provided to you (our Client or prospective Client) in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 L. 87(I)/2017 ("the Law"). Pursuant to the Law, Tickmill Europe Ltd (ex Vipro Markets Ltd) ("the Company") is required to take all sufficient steps to act in the best interest of its Clients when receiving and transmitting Client Orders and to achieve the best execution results when executing Client Orders and to comply, in particular, with the principles set out in the Law when providing investment services.

Further to this, the Client also agrees/consents to the fact that his orders will be executed outside Regulated Market (e.g. Licensed European Stock Exchange) or a Multilateral Trading Facility (e.g. European Financial Trading System).

2. Scope

2.1. This Policy applies to both Retail and Professional Clients (as defined in the Company's Client Classification Policy). If the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to such a Client.

2.2. This Policy applies when receiving and transmitting Client Orders or executing orders for the Client for all the types of Contracts for Difference ("CFDs") offered by the Company.

3. Best Execution Factors

The Company shall take all reasonable steps to obtain the best possible results for its Clients taking into account the following factors when receiving transmitting and executing Clients' orders and obtain the best possible results for Client taking into account the following factors when dealing with Clients' orders: price, cost, speed, likelihood of execution and settlement, size, market impact or any other consideration relevant to the execution of the order. We do not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as priority factor:

3.1. For Clients requesting to trade in CFDs:

- a) **Price:** For any given CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy (go long) that CFD, and the lower price (BID) at which the Client can sell (go short) that CFD. Collectively, the ASK and BID prices are referred to as the Company's price. The difference between the lower and the higher price of a given CFD is the spread. 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 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 operations time (see execution venue below) therefore no orders can be placed by the Client during that time. Certain ex-ante and ex-post quality checks are conducted by the Company to ensure that prices obtained and subsequently passed on to clients remain competitive. Such checks include, but not limited to, reviewing system settings/parameters, comparing prices with reputable price sources, ensuring symmetry of spread and checking the speed of price updating.

If the price reaches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop, these orders are executed at the first available market price. 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:** The provision of the Services by the Company is subject to payment of fees such as brokerage fees / commissions, Swaps/Rollover, additional position fees/commissions on Swap Free accounts and other fees. For account type Classic is noted that the brokerage fees / commissions are incorporated into the Company's quoted price (Spread). For account types Pro and VIP in some types of CFDs the Client may be required in addition to markups to pay commission and/or financing fees, the amount of which is disclosed on the Company's website. Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amounts. For keeping a position overnight in some types of CFDs the Client may be required to pay or receive financing fees "Swap/Rollover". Spreads and Swap rates, appear in the Contract Specifications on our [Website](#) and/or Platform. Any additional Company fees (such as account maintenance fees or inactivity fees) also appear on the Website and/or Platform.

c) **Speed of Execution:** The Company places a significant importance when executing Client's orders and strives to offer high speed of execution within the limitations of technology and communications links.

It is clarified that when the Company receives and transmits a Client Order for execution to a third party (another Execution Venue) and does not execute the order towards the Client as principal to principal, then the execution will also depend on that third party.

d) **Likelihood of Execution:** In some case it may not be possible to arrange an Order for execution, for example but not limited in the following cases: during news times, trading session start moments, during 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, 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 or will be executed only partially. 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/General Terms and Conditions.

For the STP 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 party.

In order to improve speed and likelihood of execution the Company carries out certain ex-ante and ex-post quality checks. Such checks include, but not limited to, symmetric slippage checks, number of trades to slippage and comparing our average speed of execution with industry standards.

e) **Likelihood of settlement:** The Financial Instruments (i.e. CFDs) 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 the 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 sufficient 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.

4. Execution Practices in Financial Instruments

4.1. Slippage

You are warned that Slippage may occur when trading in Financial Instruments. This is the situation when at the time that an Order is presented for execution, the specific price showed 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 in financial instruments. Slippage more often occurs during periods of illiquidity or higher volatility (for example due to news announcements, economic events and 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 declared prices. Slippage may appear in all types of accounts we offer.

It is noted that Slippage can occur also during Buy Limit, Sell Limit, Buy Stop, Sell Stop, 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 first available market price from the price you have specified under your pending Order.

5. Best Execution Criteria

Under the Law, the Company will determine the relative importance of the above Best Execution Factors by using its commercial judgment and experience in the light of the information available on the market and taking into account:

- (a) The characteristics of the client, including the categorization of the client as retail or professional.
- (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 venue to which that order is directed.

For Retail Clients, the best possible result shall be determined in terms of the total consideration, unless the objective of the execution of the order dictates otherwise, 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, including execution venue fees (as applicable).

6. Client's Specific Instruction

6.1. Whenever there is a specific instruction from or on behalf of a Client for the execution of an Order, the Company shall arrange – to the extent possible – for the execution of the Client order strictly in accordance with the specific instruction.

WARNING: It is noted that the specific instruction may prevent the Company from taking the steps in the Policy to obtain the best possible result for the Client.

6.2. Trading rules for specific markets or market conditions may prevent the Company from following certain of the Client's instructions.

7. Execution on Client Orders

7.1. The Company shall satisfy the following conditions when carrying out Client Orders:

- a) ensures that orders executed on behalf of Clients are promptly and accurately recorded and allocated;
- b) carries out otherwise comparable Client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable;
- c) informs a retail Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

8. Execution Venues

8.1. Execution Venues are the entities with which the Orders are placed. Either the Company or a third-party liquidity provider will be the Execution Venue for the execution of client orders. The Company maintains agreements with the below third-party execution venues:

i) LMAX Limited

ii) Tickmill UK Limited

The above list might be updated from time to time at the Company's discretion and the Client shall be responsible to look for updates. The Company reserves the right to change its execution venues at its own discretion.

The Company evaluates and selects the liquidity providers based on a number of criteria such as the regulatory status of the liquidity provider, the ability to deal with large volume of orders, the speed of execution, the competitiveness of commission rates and spreads.

8.2. The Client acknowledges that the transactions entered in Financial Instruments placed with the Company are not undertaken on a recognised exchange, rather they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions.

9. Important Disclosures

9.1. In cases where the Company acts as an STP Broker (i.e. places the clients' orders for execution to third party liquidity providers), the Company undertakes to summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where the client orders were executed in the preceding year and information on the quality of execution obtained, in accordance to the relevant regulatory requirements.

The Company will publish an annual Execution Quality Summary Statement (EQSS) which will, for each class of financial instruments, include a summary of the analysis and conclusions the Company will draw from its detailed monitoring of the quality of execution obtained on the execution venues where all client orders were executed in the previous year.

The EQSS will include:

- (a) an explanation of the relative importance the Company gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;
- (b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
- (c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
- (d) an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;
- (e) an explanation of how order execution differs according to client categorisation, where the Company treats categories of clients differently and where it may affect the order execution arrangements;
- (f) an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the Client;
- (g) an explanation of how the Company has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575;
- (h) where applicable, an explanation of how the Company has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

The first annual report was published by the 30th of April 2018

9.2. In cases where the Company acts as the execution venue for its clients' orders, it will publish every quarter on its website a report that will contain data of the execution quality (i.e. details about price, costs, speed and likelihood of execution for every individual financial instrument offered) based on the relevant regulatory requirements, as follows:

- a) By 30 June, information regarding the time period 1 January to 31 March;
- b) By 30 September, information regarding the time period 1 April to 30 June;
- c) By 31 December, information regarding the time period 1 July to 30 September;
- d) By 31 March, information regarding the time period 1 October to 31 December;

The first quarterly report is to be published by 30th June 2018 and will cover a reporting period that is representative of the first quarter of 2018.

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. Amendment of the Policy and Additional Information

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 please direct your request and/or questions to support@tickmill.eu .