



Execution Quality
Summary Statement

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1. Introduction

Ox Capital Markets (hereinafter the "Company") is an Investment Firm with registration number HE 338839. The Company is authorised and licensed by the Cyprus Securities and Exchange Commission (hereinafter the "CySEC"), with license number 274/15.

This Execution Quality Summary Statement (hereinafter the "Statement") of the Company, has been created in accordance with the Investment Services and Activities and Regulated Markets Law 87(I)2017, which transposes the Directive 2014/65/EU on markets in financial instruments ("MIFID II"). Pursuant to which, the Company is required to inform its Retail and Professional clients (hereinafter the "Clients"), about all the sufficient steps taken to acquire the best possible result for its Clients ("Best Execution").

2. Services Provided

As per provisions of the Law 87(I)2017, First Appendix, Part I and Part II, the Company is licensed to provide the following services:

Investment Services and Activities:

- a) Reception and Transmission of orders in relation to one or more financial instruments
- b) Execution of orders on behalf of clients
- c) Portfolio Management

Ancillary Services:

- a) Safekeeping and administration of financial instruments, including custodianship and related services
- b) Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction.
- c) Foreign exchange services where these are connected to the provision of investment services
- d) Investment research and financial analysis or other forms.

3. Scope of Best Execution

Best Execution is an important part of MiFID II and as per the provisions of the aforesaid Directive, the Company shall take all the sufficient steps to obtain the best possible result for its clients in certain circumstances:

- a) When executing a client order;
- b) The client is falling into the Scope of the Law;
- c) The Company is acting on behalf of the client.

4. Applicable Regulatory Provisions

The Company considered the below legal documentation while composing this Statement:

- Directive 2014/65/EU
- Law 87(I)2017
- Esma's Q&A 35-43-349
- Commission Delegated Regulation 2017/576



5. Clients

Clients who as per the Client Categorisation Policy were classified as Retail Clients and Professional Clients are falling under the scope of the aforesaid Regulations, while Eligible Counterparties are not.

6. Best Execution Arrangements

The Company has taken into consideration the provisions of the Laws and Regulations in respect to the best possible result and it has enhanced its procedures. It has taken all the sufficient steps in order to obtain the best possible result while executing the clients' orders. Further to the above, the Company considers the said best execution factors on consistent basis has established an ex-ante and ex-post arrangements, to ensure that best execution is in line with the regulatory requirements, by taking all the sufficient steps necessary to adhere to the best execution mandate. The Company obtains its prices from a third party external reference sources such as its Liquidity Providers.

The company considers all execution factors when assessing the quality of execution in normal and volatile market conditions.

6.1. Clear Process for Deriving Prices

Prices presented on the platform are derived directly from the Liquidity Provider and those prices are displayed on the trade terminal for clients. The Liquidity Provider's pricing is checked with several sources to assure that quotes are in line with general market sentiment.

6.2. Price Continuity and Execution Continuity

The Company in order to assure continuity and assist to detect system errors or price freezes, a 'Price Checker' has been implemented and running in real time in the client terminal held by the Company's personnel, handling the ex-ante best execution arrangement.

6.3. Evaluation of the Liquidity Providers/ Price Providers

The Company takes the below in consideration when assessing and evaluating the Liquidity Provider/Price Provider:

a) Regulatory Status:

The Company when enters into a Contractual agreement with the Liquidity provider/price provider, it assures that the Liquidity provider is licensed and regulated by a competent authority of a member (EU Liquidity Provider) state and/or regulated from a third country (Non-EU Liquidity Providers).

b) Ability to Deal with Large Volume of Orders:

The Company prior entering into a contractual agreement with the Liquidity Provider, it has evaluated and assessed the Liquidity Provider, and made sure that it can deal with large volume of Orders and that in no way, could refuse or delay any given order (exception: abnormal market condition).

c) Speed of Execution:

The Speed of execution is a very important factor for the decision of a Liquidity provider. The company made sure that the selected LP, has a normal speed of execution within the

market's standard. The LPs IT infrastructure has been evaluated to be up to industry standards and comply with the Company's needs in respect to speed of execution, price continuity and continuous system improvements. The Company has established an on-going monitoring in respect to this matter, to make sure that it serves the best interest of its' clients.

d) The Competitiveness of Commission Rates and Spreads

The Company while assessing and evaluating its Liquidity providers considered *inter alias*, the competitive spreads, commissions and low overnight fees that were offered from the said Liquidity Providers.

e) The Reputation of the Institution

The reputation of the institution plays a decisive factor during the evaluation of the Liquidity Provider selection process, as working with reputable institutional brokers is beneficial to our overall business.

f) Financial Status

The Liquidity Provider offers financial soundness that can justify the trading risk it undertakes, based on its cash flow and size of operation it undertakes regarding the settlement of all trades introduced, executed or hedged by its clients, based on contractual specifications.

g) Other Factors

The Company *inter alia*, took also into consideration the ease of doing business with the Liquidity Provider in matters such as the legal terms of the business relationship and various qualitative criteria for instance, clearing schemes, circuit breakers and scheduled actions.

6.4. Fairness of Price

The fairness of the price compared to market data should be verifiable by adequate records and monitoring tools. Adequate records should include storing prices from reputable LPs or reputable price sources.

The monitoring of the financial instruments pricing is a core duty of the relevant Company's personnel and fairness of price is evaluated and checked through the day by comparing with highly reputable sources e.g. Bloomberg.

6.5. Symmetry of quotes

The Company has established adequate procedures so as to ensure that monitoring the pricing is effectively done as well as the slippage of the prices. Relevant reports are being made and checked by the Senior management.

6.6. Speed of execution

A '**Speed Execution Report**' has been commissioned in order to assess latency of the trades. The said report is stating the total amount of trades and sample size used for complete transparency.

7. Associated Conflicts of Interests

Possible Conflict of Interests	Applicable procedures and preventive measures
The Company may have an interest in maximizing trading volumes in order to increase its commission revenue, which is inconsistent with the Client's personal objective of minimizing transaction costs;	The Company has pre-cautionary measures in order to prevent such conflict of Interest. It maintains an adequate Best Execution Policy so as to ensure that the best possible result is given to the Company's Clients.
Receive commissions and/or other inducements from its Liquidity provider for the transmission of Client Orders.	The Company has in place a Liquidity provider agreement. The Company has certain procedures in order to act on the best interest of its Clients.
Maximizing of the trading volumes in order to increase receivable brokerage commission, which may directly conflict with the Client's interest, if that interest is in minimizing the volume of trades they perform.	The Company has in place Best Execution Arrangements Policy and puts all of its efforts in order to prevent such event. The employees are not allowed to provide such information/instruction to the Clients at all times.

8. Inducements related to the Execution Venues

The company has standard Liquidity Providers agreements in place with all execution venues used to execute client orders which are legally binding contracts which *inter alia*, include all due processes in compliance and safeguarding of client's interest. Further to that, the Company has specific arrangements in respect to the payments received and paid to the Liquidity providers.

9. Top Five Execution Venues

As per the provisions of MiFID II, the Company is required 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 Company executed clients' orders in the preceding year (01.01.2017 – 31.12.2017) and information on the quality of execution obtained.

9.1. Retail Clients-Contract for Difference (CFD)

Class of Instrument		Contract for Difference (CFD)			
Notification if <1 average trade per business day in the previous year		Y/N			
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume (lots) traded as a percentage of total in that class	Proportion of orders (number of trades) executed as percentage	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders

		of total in that class			
Xchange Option Ltd	100%	100%	N/A	100%	N/A

9.2. Retail Clients- Other Instruments

Class of Instrument		Other Instruments-Binary Options			
Notification if <1 average trade per business day in the previous year		Y/N			
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume (lots) traded as a percentage of total in that class	Proportion of orders (number of trades) executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SpotOption Exchange LTD. LEI: 213800LENWF8QHU2K928 (Cyprus)	100%	100%	N/A	100%	N/A

10.Changes in the list of Execution Venues

The list of execution venues has changed, the Company has terminated its business relationship with XchangeOption Ltd, as can be found in the ["Best Execution Policy"](#).

11.Client Categorisation and Order Execution

The Company has in place an adequate [Client Categorisation Policy](#). In the said policy, the Company is stating that a Retail Client is provided with the higher level of protection while a professional client has lower protection.

In respect to the order execution, the Company is obliged to request from its Retail Clients to provide information regarding his knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded, so as to enable



the Company to assess whether the investment service or product envisaged is appropriate for the Client.

In the contrary the Company shall be entitled to assume that a Professional Client has the necessary experience and knowledge in order to understand the risks involved in relation to those particular investment services or transactions, or types of transaction or product, for which the Client is classified as a Professional Client. Consequently, and unlike the situation with a Retail Client, the Company should not generally need to obtain additional information from the Client for the purposes of the assessment of appropriateness for those products and services for which they have been classified as a Professional Client.

Where the Company treats the Client as an Eligible Counterparty, the Client will be entitled to fewer protections under the Law than it would be entitled to as a Retail or Professional Client. Specifically:

- i. The Company is not required to provide the Client with best execution in executing the Client's orders.
- ii. The Company is not required to implement procedures and arrangements which provide for the prompt, fair and expeditious execution of its Client orders, relative to other Client orders or its trading interests.
- iii. The Company is not required to assess the appropriateness or suitability of a product or service that it provides to Client but can assume that the Client has the expertise to choose the most appropriate product or service for itself and that he/she has the ability to bear losses.
- iv. The Company is not required to provide the Client with information about the Company's execution venues, the arrangements through which the Company will be remunerated and other relevant information.

12. Amendment

The Company reserves the right to review and/or amend its Best Interest and Order Execution Policy as well as this Statement. If the Company makes a material change of its Policy and/or this Statement, its client will be informed and an updated version of the said policy and Statement will be available on the Company's website.



Annex A-Definitions

"Aggressive Order" means order entered onto the order book that took Liquidity.

"Eligible Counterparty" is a type of professional Clients, applicable only when the service provided to such Professional Client is of receiving & transmitting and/or executing orders.

"Passive Order" means an order entered into the order book that provided Liquidity.

"Professional Client" is a Client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs.

"Retail Client" is a Client who is not a Professional Client by default and are afforded with the highest level of protection.

"Inducement" is a payment or other benefit that it is given by one person to another in relation to services which are provided to a third client.