



ORDER EXECUTION POLICY

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Document last updated: September 2018

1. Introduction

1. EDR Financial Limited (hereinafter, the «**Company**») is incorporated in Cyprus under registration number HE 336081 through the Department of Registrar of Companies and Official Receiver (<http://www.mcit.gov.cy/drcor>).

2. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (<http://www.cysec.gov.cy>) to act as a Cyprus Investment Firm («CIF») with CIF License **No. 268/15** operating as an international foreign exchange broker.

3. The Company operates under the «Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters» Cypriot Law 144(I) of 2007 (harmonization with MiFID Directive) to the extent that it is still applicable, and as replaced by Cypriot Law 87(I)/2017 (harmonization with MiFID II Directive), and as subsequently amended from time to time (hereinafter, the «**Law**»), under the letter of which, the Clients are required to receive appropriate information about the execution of their orders in the Order Execution Policy.

4. The Order Execution Policy (hereinafter, the «**Policy**») forms an integral part and is subject to the Client's agreement, as amended from time to time. The Client understands that by opening an account with the Company, the Client shall also agree to the terms of this Policy, as set out herein and as amended from time to time. In cases of ambiguity or conflict between the two documents, the Client Agreement, shall prevail.

5. All Clients are advised to familiarize themselves with this Policy as well as the Client Agreement and to make sure that the principles specified herein are acceptable by them. Clients are also advised to communicate with the Company, should they require any clarifications on the way that the Company executes their orders or to seek independent professional advice.

2. Scope of this Policy

6. The Policy applies to both Retail, and Professional Clients (as defined in the Company's Client Categorization Policy) of the Company, in relation to financial transactions regarding Contracts for Difference (**«CFDs»**). If the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to such an Eligible Counterparty.

3. General

7. The Company is operating under a Straight Through Processing and Electronic Communication Network (STP-ECN) model.

8. The Company is acting as an Agent, not a Principal, which means the Company is always the Counterparty to a Client's trades, in the course of a transaction.

9. The Client understands that the financial products are not offered through a regulated market or a Multilateral Trading Facility (**«MTF»**). All products are offered on an over-the-counter basis (**«OTC»**), meaning that the products are traded with the Company in an off-exchange manner, with the Company providing to the Client the live streaming prices (**«Quotes»**) for the respecting financial instruments, via the MT4 trading platform. The Company is receiving those prices from its cooperating Liquidity Providers (**«LPs»**), which in turn means that the Company's execution venues are third party(ies).

10. The Company shall never aggregate one client's trade(s) with that (those) of another Client during execution.

11. The Policy sets out the procedures and methods used by the Company to ensure the fair, honest, professional, prompt and expeditious execution on terms most favorable to the Clients in relation to trading in CFDs. When receiving and transmitting orders for execution, the Company is taking all sufficient steps to act in the best interest of its Clients. The factors that contribute to achieving best execution are described below in paragraph 5.

12. The Company is ensuring that those financial instruments offered are designed to meet the needs of an identified target market of end clients within the relevant category of the client (retail, professional, eligible counterparties), that the strategy for distribution of the financial instruments is compatible with the identified target market, and that the financial instruments are distributed to the identified target market. The Company shall ensure that the financial instruments are compatible with the needs of the client to whom the service is provided and that those are offered or recommended only when this is in the interest of the client.

4. Order Execution Types

13. The Clients can instruct the following orders via their MT4 platform:

i. Market Execution Order: is an order that allows the user to buy or sell a financial instrument, at the current OTC (Over-The Counter) rate, as depicted in the platform. Execution of this order results in opening a trade position. Financial instruments are bought at ASK price and sold at BID price. Stop Loss and Take Profit orders can be attached to a market order. Once a Market order is instructed by a Client, this action cannot be undone.

ii. Pending Order: is an order that allows the user to buy or sell a financial instrument at a pre-defined price, at a later OTC rate, as depicted in the MT4 platform. A pending order is executed once the price reaches the requested level. However, it is noted that under certain trading conditions it may be impossible to execute these Orders at the Client's requested price. In this case, the Company has the right to execute the Order at the first available price. It is noted that Stop Loss and Take Profit may be attached to a Pending Order. Also, pending orders are good till cancel.

14. The Company offers the following types of Pending Orders:

i) Buy Limit: is a pending order to open a Buy position at a lower price than the price at the moment of placing the pending order. This order will be executed at the ASK price.

Example:

Say EURUSD price is 1.17500, and a trader wishes to place a 0.10 Lot order 10 pips below the current price to Buy, he will set a pending Buy Limit Order 0.10 Lots at 1.17400. When price reaches 1.17400, the pending order gets executed and the trader is now in a Buy position 0.10 EURUSD.

ii) Buy Stop: is a pending order to open a Buy position at a price that is higher than the price at the moment of placing the pending order. This order will be executed at the ASK price.

Example:

Say EURUSD price is 1.17500, and a trader wishes to place a 0.10 Lot order 10 pips above the current price to Buy, he will set a pending Buy Stop Order 0.10 Lots at 1.17600. When price reaches 1.17600, the pending order gets executed and the trader is now in a Buy position 0.10 EURUSD.

iii) Sell Limit: is a pending order to open a Sell position at a price higher than the price at the moment of placing the pending order. This order will be executed at the BID price.

Example:

Say EURUSD price is 1.17500, and a trader wishes to place a 0.10 Lot order 10 pips above the current price to Sell, he will set a pending Sell Stop Order 0.10 Lots at 1.17600. When price reaches 1.17600, the pending order gets executed and the trader is now in a Sell position 0.10 EURUSD.

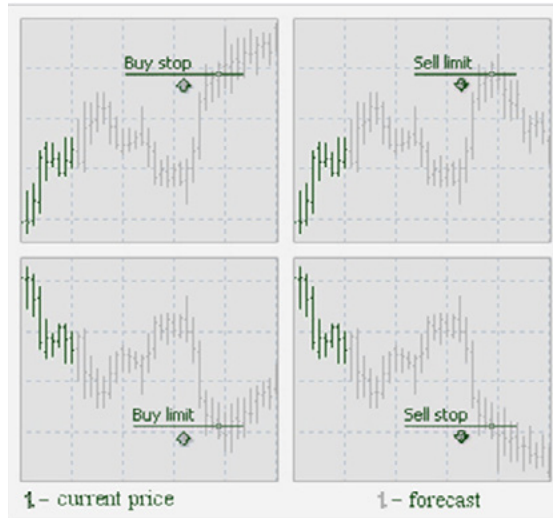
iv) Sell Stop: is a pending order to open a Sell position at a price lower than the price at the moment of placing the pending order. This order will be executed at the BID price.

Example:

Say EURUSD price is 1.17500, and a trader wishes to place a 0.10 Lot order 10 pips below the current price to Sell, he will set a pending Sell Stop Order 0.10 Lots at 1.17400. When price reaches 1.17400, the pending order gets executed and the trader is now in a Sell position 0.10 EURUSD.

v) Stop Loss: is a setting that can be used to set an «acceptable» level of loss, to prevent losses further to that level, when a price moves unexpectedly to the opposite direction. Once this pre-determined level is reached, the stop loss is activated and completely closes the whole position(s). This setting can be connected to and requested together with either an open position or a pending order. For short positions opened, this order will be executed at the ASK price. For long positions opened, this order will be executed at the BID price.

vi) Take Profit: is a setting that can be used to secure profits. In this case, the price moves towards the expected direction, thus is profitable. Once the profits reach the pre-determined level, the whole position(s) shall automatically completely close. This setting can be connected to and requested together with either an open position or a pending order. For short positions opened, this order will be executed at the ASK price. For long positions opened, this order will be executed at the BID price.

Example in a graph:

15. All orders are executed automatically.

16. The Company is only quoting prices during trading hours, therefore no market orders can be placed outside those hours.

17. Clients can monitor, at all times, their status, activity and history via their MT4 trading platform.

18. Orders may not be executed at declared prices. Therefore, the Company cannot guarantee the execution of a pending order at the price specified. On some occasions, which are attributed to factors outside the Company's control, such as force majeure events, and market conditions, causing slippage, price adjustments or the inability to execute an order altogether.

These factors are usually attributed to increased market volatility due to news announcements, economic events and market openings, or attributed to insufficient liquidity for the desired price and volume, or to such rapid movements (rise and fall) in one trading session to an extent that, under the rules of the relevant exchange, trading is suspended or restricted, to name a few examples. Those factors are a normal market practice and an expected feature of the foreign exchange and stock markets.

Slippage: is best described as the situation when at the time that an order is presented for execution, the specific price shown to the client and requested by him is not available, therefore the order is executed close to or a number of pips away from the client's requested price. Thus, slippage is the difference between the expected price of an order, and the price the Order is actually executed at. A slippage can be either positive or negative. Slippage can occur during Stop loss, Take profit and other types of Orders.

The slippage can be **positive**, when the execution price is better than the price requested by the client.

The slippage can be **negative**, when the execution price is worse than the price requested by the client.

Price Adjustment: a market-driven phenomenon reflecting the difference between the price requested by the trader and the price verified by the liquidity providers that affects the large tickets executed on multiple levels in the Depth of Market. Thus, the larger is the ticket, the higher the probability for an unfavorable price adjustment, meaning that large orders can be more expensive to execute than smaller orders.

19. **Re-quotes:** The Company does not offer instant orders, therefore there are no re-quotes.

5. Best Execution Factors

20. The Company shall take all sufficient steps to obtain the best possible result for its Clients taking into account the following factor **(a.-i.)** when executing Clients' orders. The list of factors mentioned as below is not exhaustive, and the order of presentation does not reflect the importance. When specific client instructions are provided to the Company, those are taken in consideration to execute an order accordingly:

- a. Price of the Financial Instrument;
- b. Transaction costs and other risks;
- c. Speed of execution;
- d. Likelihood of Execution and Settlement;
- e. The size and nature of the order;
- f. Market impact;
- g. Total consideration;
- h. Nature of market for the particular instrument;
- i. Any other consideration

21. The Company takes into account a variety of factors to ensure best execution, the most important of which are explained below:

a. Price of the CFD :

- i) The Company provides its prices to its Clients after those have been derived from its liquidity provider(s).
- ii) The Company takes all sufficient steps to ensure that the Client receives the best spread and that its calculation is made with reference to a wide range of data sources and underlining price providers.
- iii) The Company quotes both the higher price (ASK) and the lower price (BID). The Client can buy (go long) on ASK and sell (go short) on BID of the CFD in question.
- iv) The Company's price is constituted by both the ASK and BID prices.
- v) The Spread is the difference between the lower and the higher price of a CFD.
- vi) The Company does not quote prices outside Company's operations time therefore no orders can be placed by the Client during that time.
- vii) However a position which was opened during trading hours, can be held open overnight at a cost (overnight fees). See below point b.
- viii) Price requirement verification: **On-going basis**, to ensure execution arrangements work well throughout all different stages of the order execution process. The Company also frequently reviews its liquidity providers, to ensure that the price obtained continues to be competitive.
- ix) The Company's prices can be found on the Company's website or the Client's MT4 trading platform, along with information such as the minimum spread and the minimum margin requirement for each instrument offered.
- x) The prices are updated as frequently as allowed per the technological and human factor.

b. Transaction Costs and other costs

- i) Once a Client registers for an Account, his Account will automatically be dealt as a «Mark-up Account». This account type charges on a spread model (with no added Commission).
- ii) If a Client chooses so, he can convert his Account into a «Raw Account». The Client will be charged on a Commission and Spread model.
- iii) Thus, for a client to open a position, commission and/or spread fees will apply

iv) The Commission may be charged either in the form of a percentage of the overall value of the trade or as a fixed amount.

v) Spread charges are based on prevailing market interest rates, which may vary over time. Thus, the value of opened positions in some types of CFDs is increased or reduced by a daily financing fee "swap rate" throughout the life of the contract.

vi) Information about costs is available on the **Trading Conditions** section of the website.

vii) On top of the Commission and Spread, the Client may be required to pay withdrawal fees, overnight financing fees, and conversion fees, as applicable.

viii) Costs requirement verification: Performed on an **on-going basis**, to ensure execution arrangements work well throughout all different stages of the order execution process.

c. Speed of Execution

i) The Company does not execute the Client Order in CFDs as a principal to principal against the Client. Rather, it executes all orders as a Principal and not as an Agent on behalf of the Client.

ii) The Company transmits Client Orders or arranges for their execution with a third party(ies).

iii) The Company places a significant importance when executing Client's orders and the requirement for a high speed execution is monitored on an on-going basis.

d. Likelihood of Execution and Settlement

i) The Company is executing all orders at the prices available on the Client's MT4 platform at the exact time of their opening, provided there is sufficient volume and taking into consideration the factors mentioned above on point 18.

ii) On the contrary, the orders will be executed at the next best available price or more rarely, not executed at all. The Company reserves the right to decline an order as explained in the agreement entered with the Client.

iii) The Company maintains a Negative Balance Policy, which protects the Client from losing more than the initially deposited amount.

iv) The underlying asset is never actually delivered, so there is no settlement.

v) The Company places a significant importance when executing Client's orders and this factor is monitored on an **on-going basis**.

e. The size and nature of the order

i) All orders are executed in full, never partially.

ii) All the transaction amounts in the MT4 platform are depicted and measured in Lots. A lot is a unit measuring the transaction amount and it is different for each type of CFD. The actual minimum size of an order may be different for each type of Client Account.

Instrument	Size equivalent to 1 Lot	Type
FX	100,000	Base Units
Indices	10	Contracts
Gold	100	Ounces
Silver	5,000	Ounces
Oils	1,000	Barrels
Stocks	1	Share

iii) For a single transaction, the minimum size of an order is 0,01 Lots and the maximum volume is 1000 Lots. Please refer to the Company's [Trading Conditions](#) for additional information.

iv) The Company places a significant importance when executing Client's orders and this requirement is monitored on an **on-going basis**.

f. Market Impact

i) 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 reasonable steps to obtain the best possible result for its Clients.

ii) In the case where the Client provide specific instructions on full or partial execution of the Client's order, that order shall be transmitted for execution in accordance to such instructions and the Company, in doing so, it will have complied with its obligations to provide the best possible results to the extent that those instructions are followed.

iii) The Company warns its Clients that any specific instructions from them may prevent the Company from taking the steps that it has designed and implemented to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions. The Company shall accommodate those instructions to the extent that it is able to, therefore, in the event of additional charges, the Client will be charged accordingly.

g. Total Consideration

i) Total consideration is defined as the sum of the price and the costs incurred by the Client. It refers to the price of the financial instrument and the costs relating to execution, including all expenses incurred by the client which are directly relating to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

6. Best Execution criteria

22. The Company will determine the relative importance of the above Best Execution factors by using its experience in the matter and taking into account the following criteria:

- i) The Client's characteristics including the categorization of the Client either as Retail or Professional;
- ii) The characteristics of the Client's order;
- iii) The characteristics of financial instruments that are subject to that order;
- iv) The characteristics of the execution venue to which that order can be directed.

Price of the Financial Instrument	High Importance
Transaction costs and other risks	High Importance
Speed of execution	High Importance
Likelihood of Execution and Settlement	Medium Importance
The size and nature of the order	High Importance
Market impact	Medium Importance

23. For Retail Clients the best possible result is determined in terms of the total consideration. Full explanation of the term is provided above in paragraph 21 (point g).

7. Client Disclosures

24. All trading venues are required to provide accurate and adequate information, as part of the transparency requirement established for protecting investors' best interests. The requirement is arising from MiFID II Directive, in relation to the venues' best execution practices, identification of conflicts of interest and other relevant information, all of which have been disclosed via the Regulatory Technical Standards (RTS-28) Report, inclusive of information that is published on a quarterly basis. The report is available for a download [here](#).

8. Monitoring

25. The Company will review and monitor the effectiveness of the Policy and arrangements and, where appropriate, correct any deficiencies. The Company will assess from time to time, whether the execution venues enable the Company to provide the best possible result for the Clients' order and whether amendments to its execution arrangements are required.

26. A review will also be carried out whenever a material change occurs that affects the ability of the Company to continue to obtain the best possible result for the execution of its Clients orders on a consistent basis using the venues included in the Policy.

9. Notifications

27. The Company can amend the present Policy without the obligation for the provision of individual notifications to Clients.

28. The Clients are responsible for referring to the Company's website for the latest and most up to date version of the Policy, which will be applicable from the date of publication on the website.