TFI Markets

Currency Specialists

Order Execution Policy

Introduction

TFI MARKETS LIMITED (hereinafter called the "Company") is an investment firm regulated by the Cyprus Securities and Exchange Commission (License No.117/10). This Order Execution Policy (Hereinafter called the "Policy") is provided to you in accordance with the provisions of the Investment Services and Activities and Regulated Markets Law of 2017 (No. 87(I)/2017), implementing Directive 2014/65/EC of the European Parliament and of the Council on Markets in Financial Instruments (MiFID).

Pursuant to the aforementioned legislation, the Company is required to take all reasonable steps to obtain the best possible result (or "best execution") on behalf of its Clients either when executing Client orders or receiving and transmitting orders for execution. This legislation requires the Company to put in place an execution policy which sets out how it will obtain best execution for its clients and to provide appropriate information to its Clients on its order execution policy.

This Policy forms part of the Client's agreement with the Company. Therefore, by entering into an agreement with the Company, the Client is also agreeing to the terms of this Policy.

Scope and Services

The Policy applies to Retail and to Professional Clients.

This Policy applies when executing transactions with the Client for the Financial Instruments provided by the Company.

The Company acts as principal and not as agent for all orders placed by clients in Financial Instrument provided by the Company and the Company is the sole Execution Venue for the execution of the Client's orders. The Company is always the counterparty (or principal) to every trade; and any open trades can only be closed with the Company.

The Client is given the option to place with the Company the following orders for execution in the following ways: The Client places an "instant order" which is an order to buy or sell a financial instrument instantly, at a specific market price. The client may attach to an instant order a "Stop Loss" and/or "Take Profit" order. "Stop Loss" is an order to limit Client's loss, whereas "Take Profit" is an order to limit Client's profit.

The Client places a "pending order", which is an order to be executed at a later time at the price that the Client specifies. The following types of pending orders are available: "Buy Limit", "Buy Stop", "Sell Limit" and "Sell Stop". The Client may attach to any pending order a "Stop Loss" and/or "Take Profit" order. On the MT4 terminal, the requested price of pending orders must differ from the market price by a minimum amount of pips. This can be viewed from the client's terminal in each currency-pair's properties, labelled 'stops level'.

Pending Order Types:

"Buy Limit" is an order to buy in the future, if and when the "Ask" price reaches a price specified by the Client. The current price level is higher than the price of the order placed.

"Buy stop" is an order to buy in the future, if and when the "Ask" price reaches a price specified by the Client. The current price level is lower than the price of the order placed.

"Sell Limit" is an order to sell in the future, if and when the "Bid" price reaches a price specified by the Client. The current price level is lower than the price of the order placed.

"Sell Stop" is an order to sell in the future, if and when the "Bid" price reaches a price specified by the Client. The current price level is higher than the price of the order placed.

"Stop Loss" is an order to close a position if the price reaches a price specified by the Client, Stop Loss order can only be used in conjunction with an Instant order or a Pending Order. It is intended to limit the Client's losses. For long positions, the price of the order can only be set below the current Bid price and when the "Bid" price reaches the price specified by the Client, the position is closed. For short positions, the price of the order can only be set above the current Ask price and when the "Ask" price reaches the price specified by the Client, the position is closed.

"Take profit" is an order to close a position if the price reaches a price specified by the Client. Take profit order can only be used in conjunction with an Instant order or a Pending Order. It is intended to secure the Client's potential profit. For long positions, the price of the order can only be set above the current Bid price and when the "Bid" price reaches the price specified by the Client, the position is closed. For short positions, the price of the order can only be set below the current Ask price and when the "Ask" price reaches the price specified by the Client, the position is closed.

Pending Order Modification/Cancellation: the client may modify/cancel a pending order if the price has not reached the level of the price specified by the client. The Client has no right to change or remove "Stop Loss", "Take Profit" and "Pending Order" orders if the price has reached the level of the order execution or if the requested price does not differ from the market price by a minimum amount of pips (the requested price is within the 'stops level' limit). This can be viewed from the client's terminal in each currency-pair's properties, labelled 'stops level'.

Best Execution

The Company shall take all reasonable steps to obtain the best possible result for its clients.
The Company shall take into account the following criteria, when determining the relevant importance of the factors:

a. The characteristics of the client, including the categorisation of the client as retail or professional.
b. The characteristics of the client's order
c. The characteristics of the financial instrument that is subject to the order
d. The characteristics of the execution venue

The best possible result for a client is determined in terms of the total consideration related to the execution of the order. The total consideration includes the price of the financial instrument and the costs related to the execution, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

The factors taken into account when executing clients' orders are listed below ranked in accordance to their importance:

1. 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 they are referred to as the "Company's price". The difference between the lower and the higher price of a given Financial Instrument is the spread. The Company reserves the right to widen the spreads under certain market conditions i.e during news announcements, rapid price movements or low liquidity periods. Orders such as "Buy Limit", "Buy Stop" and "Stop Loss", "Take profit for opened short position" are executed at ASK price. Orders such as "Sell Limit", "Sell Stop" and Stop Loss", "Take profit for opened long position" are executed at BID price.

Except in the cases described in the next paragraph, "Stop Loss", "Take Profit", "Buy Limit", "Buy Stop", "Sell Limit", "Sell Stop" on Financial Instrument contracts are executed at the requested by the Client price, if that price is reached at any time during which the order is still active and pending. The Company sets the minimum distance to market applicable for placing "Stop Loss", "Take Profit", "Buy Limit", "Buy Stop", "Sell Limit", "Sell Stop" orders which varies by currency pair and is available through the Client's terminal in each instrument's properties, labelled 'stops level'

Slippage: Under certain trading conditions it may be impossible to execute orders ("Stop Loss", "Take Profit", "Buy Limit", "Buy Stop", "Sell Limit", "Sell Stop") on any Financial Instrument contract at the requested price. In this case the Company has the right to execute the order at a different price, which can vary from the client's requested price. This may occur, for example, at trading session commencement, at times of rapid price movement, during news announcements.

Trailing stops: The client can place a stop loss order with trailing stop to an open position. The client has to select the desirable value of distance between the stop loss level and the current price. If the price changes in the client's favour, the trailing stop will make the stop loss level follow the price automatically, but if the price moves against the client, the order will not be modified, thus the profit of the trade is fixed automatically. Trailing stops work in the client terminal, therefore it will not work, unlike the above order types, if the client terminal is off. In this case, only the stop loss will trigger that has been set by trailing stop.

Re-quoting: Re-quoting happens when the price requested by the client during the submission of an 'instant order', is not available and differs by the price received by the Company from its liquidity providers substantially. In this case, the Company will provide a new quote to the client and the client can either accept the new price or reject it.

Rejection of orders: Rejection of a client's trade can happen when the price requested by the client during the submission of an 'instant order', is not available and differs by the price received by the Company from its liquidity providers, by such a substantial amount, that re-quoting would not be efficient for the client in terms of speed of execution. In such cases, the Company rejects the trade and thus allows the client to send a new request immediately.

The Client understands the limitations of executing transactions on an electronic system and accepts that he will be exposed to risks related to hardware or software failure, such as problems with his internet connection. As a result, the Client understands that such failure may result to the non-execution, delay in execution or execution not according with his instructions. The Company does not accept any liability in such cases. The Client also acknowledges that the use of the internet is not a stable mean of transmission of data and interruption in the Client's internet connection, or an unstable or weak connection, may cause delays in the transmission of data between the client's Trading Platform and the Company and thus, may result in the Company receiving out of date orders. In this case, where the originally requested price is not available, the Company will requote the price offered and the Client can either accept or refuse the new price or reject the order so that the client can initiate a new order immediately if he wishes.

The Company will decide at its sole discretion whether to accept any orders that are placed outside the Company's Trading Time (see execution venue below).

Price Providers: 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 external reference sources (Price Providers). The Company has established formal procedures for the initial selection and frequent review of its Price Providers, which includes assessing factors such as pricing, timeliness, reliability and market reputation. The Company reviews its Price Providers at least once a year and in light of the review, decides whether to continue/discontinue the use of each price provider, whether any need to add new price providers arises and whether the price providers should be ranked differently.

2. Costs:

(a) Commissions: For opening a position in some types of Financial Instruments the Client may be required to pay commission, the amount of which is disclosed in the Contracts Specifications in 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 amount.

(b) Financing fees/Swap: In order to maintain an open position overnight, the client may pay or receive financing fees. In this case, the value of the opened positions in some types of Financial Instruments is increased or reduced by a daily financing charge or income throughout the life of the contract. Financing fees or swaps are based on prevailing market interest rates, which may vary over time. Where the client has a trading account on the MT4, details of daily swaps or financing fees applied are available through the client's terminal in the properties of each currency pair. Where the client deals in forwards or straight swaps, the Swap points or Forward points, if any, will be quoted to the client, when executing the transaction. .

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 account.

3. Speed of Execution:

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 strives to offer high speed of execution within the limitations of technology and communications links. Orders received by the Company are executed sequentially and are assigned a unique transaction number automatically by the system.

4. Likelihood of Execution:

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, before executing a client's order, may compare the price requested by the client against prices available through the company's liquidity providers, in order to ensure correctness of pricing. If a client requests to execute an order at wrong pricing, the Company may:
(a) requote the price offered and the Client can either accept or refuse the new price or
(b) reject the order so that the client can initiate a new order immediately if he wishes
It should be noted that during abnormal market conditions, the price at which a pending order is executed, may vary from the original requested price. This may occur, for example, in the following cases:

— During market opening
— During news times
— During volatility in the market, where prices move rapidly up or down.
— Where there is insufficient liquidity in the market
— Where there is rapid price movement, if the price rises or falls in one trading session to such an extent, that trading is suspended or restricted

Liquidity Providers:

The Company has established a formal procedure for the initial selection of liquidity providers. This procedure takes into account factors such as whether the Liquidity Provider is regulated and well capitalised, whether it has any known issues with its regulators, and whether the pricing of the Liquidity Provider is competitive. Liquidity Providers are monitored by the Company. The Company reviews the Company's Liquidity providers at least on an annual basis and decides whether to continue/discontinue the use of each liquidity provider or whether the need to add new liquidity providers arises.

The Company, at the moment uses Liquidity Providers who are regulated Investment Firms or Credit Institutions, within the EU and Switzerland. The Liquidity providers used, do not have any other relationship with the Company.

5. Size of order:

A lot means a unit measuring the transaction amount and it is different for each type of Financial Instrument. Please refer to the Financial Instruments Contract Specifications on the Company's Website for the value of each lot for a given Financial Instrument type and the maximum and minimum size of each transaction allowed. Although the Company makes every effort to fill orders irrespective of the volume, it reserves the right to decline an order. Furthermore, if the client wishes to execute a relatively large size order, in some cases, the price may become less favourable depending on the available liquidity at the time in the market.

6. Market Impact:

Some factors may affect rapidly 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.

7. Likelihood of settlement:

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

Nevertheless, whenever there is a specific instruction from the Client the Company shall apply all reasonable care so that the Client's order will be executed following that specific instruction. The Client acknowledges and accepts that providing specific instructions to the Company, may prevent the Company from following this Order Execution Policy and from obtaining the best possible result for the Client in respect of the elements covered by the Client's instructions.

Execution Venues

For the purposes of orders for the Financial Instrument provided by the Company, 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. The Company does not transmit the Client orders to an external counterparty for execution. It is the Company's policy to maintain such internal procedures and principles in order 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 executed with the Company (OTC transactions) are not undertaken on a recognised exchange and that executing transactions with the Company may expose the client to greater risks than execution through a regulated exchange. In cases of delayed or wrong price feeds, the Company reserves the right to adjust the price provided to the Client, delay in price confirmation and/or requote the price offered.

"Trading Time" means period of time within a business week, where clients can place orders with the company. The Company reserves the right to alter this period of time as fit, upon notification to the Client;

Monitor and Review

The Company will monitor on a regular basis the effectiveness of this Policy and, in particular, the execution quality of the procedures explained in the Policy and, where appropriate, reserves the right to correct any deficiencies.

In addition, the Company will review the Policy 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 Policy.

The Company will notify its affected clients on any changes in its Policy.

The Company provides data related to the quality of execution of transactions on a quarterly basis under the name RTS27 and on a yearly basis under the name RTS28. The reports are available on Company's website **here**.

Client Consent

When establishing a business relationship with the Client, the Company is required to obtain the Client's prior consent to this Policy.

The Company is also required to obtain the Client's prior express consent before it executes or transmits its order for execution outside a regulated market or an MTF (Multilateral Trading Facility).

The Company may obtain the above consents in the form of a general agreement 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 the Company is the sole Execution Venue which is a non-regulated market.