

# Execution Quality Statement - RTS28

## Introduction

This document is prepared by TFI Markets Ltd pursuant to Article 27(10)(b) of MiFid II and as required by Regulation EU 2017/576.

RTS 28 is intended to provide information to investors on how the Company executes orders by requiring publication of certain information.

## Relative importance of Execution Factors

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

### 1. **Price:**

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.

### 2. **Costs:**

- (a) **Commissions:** There are no execution or other costs related to the execution of orders.
- (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. 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

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 on a regular basis by 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.

#### Close links and conflicts of interest

TFI Markets Ltd is a market maker and transacts with clients in principal capacity. Consequently, TFI Markets Ltd was the sole execution venue used for executing orders at the request of the client. As a result, the disclosure required by MiFiD II RTS 28 regarding close links and common ownership with another execution venue used to execute client orders is therefore not relevant.

Conflicts of interest between TFI Markets' own interests as an execution venue and a client's interests are managed in accordance with TFI Markets' conflict of interest policy.

#### Arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received

As TFI Markets Ltd was the only execution venue for all client orders executed in 2018, there is no relevant disclosure with respect to such specific arrangements with any other execution venues.

#### Factors that led to a change in the list of execution venues

As TFI Markets Ltd was the only execution venue for all client orders executed in 2018, there is no relevant disclosure with respect to this issue.

#### How order execution differs according to client categorisation

Client trades are executed irrespective of the clients' categorisation. Therefore, it is ensured that Best Execution is offered for both Retail and Professional clients. Order Execution does not differ between retail and professional clients. The Company treats both categories equally and provides best execution in accordance with total consideration.

Other criteria given precedence over immediate price and cost when executing retail client orders

Price and Cost are the first factors that are always taken into account when executing retail clients' orders, therefore disclosures in this respect are not applicable.

Data or tools used relating to the quality of execution

The Company did not utilise any data published under Delegated Regulation EU 2017/575 (RTS 27) to monitor its performance as an execution venue. During the year, the Company utilised internal reports prepared which analysed the quality of execution of orders. Such analysis takes into consideration the below:

- Number of requotes and rejects and difference between requested price and market price
- Execution of Pending Orders at requested price
- Execution of Stop Loss, Take Profit and Stop Out
- Comparison of pricing (quotes provided) with independent price data provider

Appendix

Class of Instrument	FX CFDs – Retail Clients				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of Passive orders	Percentage of aggressive orders	Percentage of directed orders
TFI Markets Ltd / 213800QIJ8Y2MDAGUE12	100%	100%	0%	100%	0%

Class of Instrument	FX CFDs – Professional Clients				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of Passive orders	Percentage of aggressive orders	Percentage of directed orders
TFI Markets Ltd / 213800QIJ8Y2MDAGUE12	100%	100%	0%	100%	0%

Class of Instrument	Currency Derivatives - FX Forwards, FX Swaps, FX Options – Retail Clients				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of Passive orders	Percentage of aggressive orders	Percentage of directed orders
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