banxso.eu

Order Execution Policy

1. Introduction

1.1. banxso.eu (www.banxso.eu) is a brand name of XF Services Ltd which is authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) and, as a regulated entity, it is required to take all sufficient steps to ensure the best possible result when executing your instructions.

1.2. This Policy is provided to you ('our Client' or 'prospective Client') in accordance with Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time ("the Law").

1.3. By agreeing to the terms of our **Service Agreement**, you are also agreeing to the terms of this Best Execution Policy ("Policy") which forms part of the Client Agreement as defined in the Service Agreement and this policy should be read in conjunction with the Service Agreement (the contractual agreement that a client enters into when opening an account with Banxso.eu); if there is anything you do not understand please contact our Customer Support department at cs@banxso.eu.

1.4. Clients must therefore ensure that they have read, understood and consent to the contents of this Policy before trading with the Company. By opening a Trading Account, you provide your explicit consent to your Orders being executed outside a Regulated Market (e.g. Licensed European Stock Exchange) or a Multilateral Trading Facility (e.g. European Financial Trading System).

2. XF Services Ltd ('we', 'our', 'the Company')

2.1. This Policy applies to both Retail and Professionals (as defined in the Company's Client Categorisation Policy found on the Company's website

2.2. If the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to such Client.

2.3. Trades are directly booked with XF Services, via an online trading platform only (Trades via Telephone cannot be executed). The Company acts as a straight-through-processing (STP) broker.

2.4. The Company will receive the clients' orders and arrange for their execution by automatically transmitting them via electronic means to the Liquidity Provider for execution. Hence, as will also be provided in the Company's Order Execution Policy, the Liquidity Provider will be the Execution Venue for the clients' transactions.

2.5. All trading activity is 100% automated which ensures the prompt, fair and expeditious execution of client Orders. All Orders are promptly and accurately recorded and allocated in strictly sequential order, unless the characteristics of the Order or prevailing market conditions make this impracticable or your interest requires otherwise.

2.6. All executed trades are immediately viewable on your account, as is the 'profit and loss' associated with closed trades, and as processes are fully automated all sufficient steps are taken to ensure accuracy, which is guaranteed subject to quality of the raw data.

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2.7. When executing your orders, we will take all sufficient steps to achieve the best possible outcome for you by executing those orders according to this Policy and subject to any specific instructions received from you. This Policy comprises a set of procedures that are designed to obtain the best possible execution result, subject to and taking into account the nature of your orders, the specific instruction you have identified to us in relation to filling of those orders. The client acknowledges that our price may differ from any price which is or might have been available elsewhere.

3. Order Execution Policy

3.1. The Company will take all sufficient steps to obtain the best possible results (or "best execution") on behalf of its clients, either when executing clients' orders or receiving and transmitting orders for execution. The Policy sets out the execution procedures for the financial instruments offered by the Company.

3.2.   This Policy applies when executing Client Orders for the Client for all the types of CFDs offered by the Company.

3.3. In providing best execution the Company is required to take into account certain execution factors. Where the Company executes an order on behalf of a client, the best possible result is determined in terms of the total consideration representing the price of the financial instrument and the costs associated with the execution, which must include all expenses incurred by the client which are directly related to the execution of the order.

3.4 The execution factors that are considered and their relative importance are set out below. We have rated price and costs as the most important execution factor, followed by: speed, likelihood of execution and settlement, size and nature and market impact.

4. Best Execution Factors

4.1. When executing Orders, we will take all sufficient steps to achieve/obtain the best possible outcome/result ("Best Execution") for you, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the Order ("Best Execution Factors"), as follows:

a) Price
b) Costs
c) Speed of Execution
d) Likelihood of Execution
e) Likelihood of Settlement
f) Size of Order
g) Market Impact

a) Price

The Company will quote to Clients the prices provided by the Execution Venue

The Execution Venue calculates and provides their own tradable prices for a given CFD by reference to the prices of the relevant underlying asset, which the Execution Venue obtains from third party reputable external reference sources (i.e. price feeders).

The Company's prices can be found on the Company's trading platforms. The Company updates its prices as frequently as the limitations of technology and communications links allow.

The main way in which the Company ensures that the Client receives the best price is to ensure that the calculation of the bid/ask spread is made with reference and compared to a range of underlying price providers and data sources. As a result, price quotes are monitored independently by the Company against other price quotes from other independent market data providers in order to ensure the accuracy and consistency of the data, to provide a competitive and fair reflection of the market price to clients and avoid the possibility of arbitrage. Moreover, the Company reviews systematically its Execution Venue to ensure that relevant and competitive pricing is offered.

Despite the fact that the Company takes every step the Company considers sufficient to obtain the best possible result for its Clients, it does not guarantee that when executing an Order its price will be more favourable than one which might be available elsewhere.

Pending Orders such Orders as:

• Buy Limit, Buy Stop and Stop Loss, Take profit for opened short position are executed at ASK price.

• Sell Limit, Sell Stop and Stop Loss, Take profit for opened long position are executed at BID price.

If the price reaches an Order set by you such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop, then these Orders are automatically executed. 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 in the Client's Service Agreement and/or the Company's website .

b) Costs

For opening a position in some types of CFDs the Client may be required to pay commission or financing fees, the amount of which is disclosed on the Company's website and/or trading platform. Fees for Dormant accounts may be charged as a fixed amount. More information on commissions can be found on the Company's website and/or the Product Costs document.

Financing Fee: In the case of financing fees, 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 CFD (i.e. until the position is closed). Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are available on the Company's trading platform.

For all types of CFDs that the Company offers, the commission and financing fees are not incorporated into the Company's quoted prices and are instead charged explicitly to the Client account.

Should the Company at any period of time decide not to charge such costs, it shall not be construed as a waiver of its rights to apply them in the future, with prior notice to the Client as explained in the Client's Service Agreement found on the Company's website. Such notice may be sent personally to the Client and/or posted on the Company's website.

c) Speed of Execution

The Company does not execute the Client Order in CFDs as a principal to principal against the Client, i.e. the Company is not the Execution Venue (as defined in Commission Directive 2006/73/EC implementing MiFID) for the execution of the Client's Order.

The Company arranges for the execution of Client Orders with the Execution Venue. The Company places a significant importance when executing Client Orders and strives to offer high speed of execution within the limitations of technology and communications links. For instance, in cases where Clients are using a wireless connection or a dial up connection or any other communication link that can cause a poor internet connection then this may cause unstable connectivity with the Company's trading platform resulting to the Client placing his Orders at a delay and hence the Orders to be executed at better or worst prevailing price offered by the Company.

d) Likelihood of Execution

The Company arranges for the execution of Client Orders with third party(ies) (i.e. Execution Venue); The likelihood of execution depends on the availability of prices of the Execution Venue(s). In some cases 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. 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 .

e) Likelihood of settlement
The Financial Instruments offered by the Company are CFDs which do not involve the delivery of the underlying asset. CFD trading can only be settled in cash. The Company shall proceed with the settlement of all transactions upon the execution and/or time of expiration of the specific transaction.

f) Size of Order
All Orders are placed in monetary values. The Client will be able to place Order(s) as long as he has enough balance in his trading account. In general, the Company does not take into consideration the size of your order in accepting, scheduling or prioritizing its execution. However, order execution is subject to size considerations including a minimum deal size.

The minimum size of an Order is 0.01 lots. The maximum order size varies depending on the underlying asset and can be found on the trading platform.

If you wish to execute a large size Order (above average order size), in some cases the price may

become less favourable. Without prejudice to the above, the Company reserves the right to decline an Order in case the size of the Order is large and cannot be filled by the Company or for any other reason as explained in the Client's Service Agreement found here.

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 reasonable 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.

5. Types of Order(s) available for CFDs trading

5.1 The particular characterizing of an Order may affect the execution of the Client's Order. Please see below the different types of Orders that a Client can place:

Market Execution Order(s)
A Market Order is an Order to buy or sell a CFD as promptly as possible at the prevailing market price. Execution of this Order results in opening a trade position. CFDs are bought at ASK price and sold at BID price. Stop Loss and Take Profit Orders can be attached to a Market Order. Market Orders are offered for all type of accounts.
Please refer to the trading platform for the type of order available per underlying asset.

Instant Execution Order(s)
An instant Order is an Order to buy or sell at the price as it appears on the platform at the moment the order is requested. If the price at the market has changed by the time the Company has received it, then a requote will be given to the client with the choice of accepting or rejecting it.
Please refer to the trading platform for the type of order available per underlying asset.

Pending Order(s)

This is an Order to buy or sell a CFD in the future at the best available price once a certain price is reached.

The Company offers the following types of Pending Orders: Buy Limit, Buy Stop, Sell Limit or Sell Stop Order

to trading accounts for CFDs.

A Pending order is an Order that allows the user to buy or sell a CFD at a pre-defined price in the future. These Pending Orders are 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. This may occur, for example, at times of rapid price fluctuations of 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 there is lack of liquidity, or this may occur at the opening of trading sessions.

It is noted that Stop Loss and Take Profit may be attached to a Pending Order. Also, pending orders are good till cancel. Pending Orders are offered for all type of accounts.

Pending Orders are executed as Market Orders.

Take Profit

Take Profit Order is intended for gaining the profit when the CFD's price has reached a certain level. Execution of this Order results in complete closing of the whole position. It is always connected to an open, market or a pending Order. Under this type of order, the Company's trading platform checks long positions with Bid price for meeting of this order provisions (the order is always set above the current Bid price), and it does with Ask price for short positions (the order is always set below the current Ask price).

Stop Loss

Stop Loss Order is used for minimising of losses if the CFD's price has started to move in an unprofitable direction. If the CFD's price reaches this stop loss level, the whole position will be closed automatically. Such Orders are always connected to an open market or a pending order. Under this type of orders, the Company's trading platform checks long positions with Bid price for meeting of this order provisions (the order is always set below the current Bid price), and it does with Ask price for short positions (the order is always set above the current Ask price).

6. Execution Practices in CFDs

6.1 Slippage can occur at any time, but is most likely to occur during periods of high volatility, overnight and market open.

   a. It occurs when the market moves suddenly in any direction, and in the time taken for a client's acceptance of a price to be received, that price is no longer available and the client's trade is executed at the best price available at that time. This applies in the event of either advantageous or disadvantageous price movements.

b. Slippage is the difference between the expected price of a trade, and the price at which the trade was actually executed. The price is then said to have 'slipped' from one level to another, as the market has 'gapped' from one level to another. In most cases an Order, when triggered by market price action, will be filled at the same, or very close to the same price as requested.

c. If the market 'gaps' overnight, it will open at the start of the trading day at a price different to the closing price of the previous trading session.

d. Any Order whose activation price is between the Company's closing quote of the previous day's trading and their opening quote of the next day's trading session, will be filled at the first price that the Company can reasonably obtain with reference to the 'underlying market'.

e. If any market gaps from one quoted price to another due to any market sensitive

f. piece of information (such as a profit warning or an economic data release), then any Order in place between these prices will be activated.

7. Best Execution Criteria

7.1. When executing client orders, the Company takes into account the following criteria for determining the relative importance of the Best Execution Factors referred in paragraph 3 above:
   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;

7.2. Where the Company executes an order on behalf of a Retail Client, the best possible result shall be determined in terms of the total consideration, 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, clearing and settlement fees and any other fees paid to third parties involved in the execution of the Order.

7.3 For the purposes of delivering best execution where there is more than one competing Execution Venue to execute an Order, in order to assess and compare the results for the Client that would be achieved by executing the Order on each of the execution venue (see Paragraph 7 below) that is capable of executing that Order, the Company's own commissions and costs for executing the order on each of the eligible execution venue shall be taken into account in that assessment. The Company shall not structure or charge commissions in such a way as to discriminate unfairly between execution venue.

8. Client's Specific Instruction

8.1. Whenever there is a specific instruction from or on behalf of a Client (e.g. fills in the required

parts on the Company's trading platform when placing an Order), relating to the Order or the specific aspect of the 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 any specific instructions from a Client may prevent the Company from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the execution of those Orders in respect of the elements covered by those instructions. However, it shall be considered that the Company satisfies its obligation to take all sufficient steps to obtain the best possible result for the Client.

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

9. Execution on Client Orders

9.1. 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, or the interests of the Client require otherwise;
c. informs a Retail Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

10. Execution Venues

10.1. "Execution Venues" are the locations (with or without a physical presence) such as regulated markets, multilateral trading facilities, systematic internalisers, market makers, liquidity providers or any other entity that facilitates trading of Financial Instruments.

10.2. The Execution Venues currently used by the Company are:
- LMAX Global
- IS Prime Ltd

10.3. The Company evaluates and selects the Execution Venue based on a number of criteria including but not limited to the regulatory status of the institution, the ability to deal with large volume of Orders, the speed of execution, the competitiveness of commission rates and spreads as well as other business strategic reasons.

10.4. Where there is only one possible Execution Venue, best execution is achieved by execution on that venue. Best execution is a process, which considers various factors, not an outcome. This means that, when the Company is executing an order for a Client, the Company must execute it in accordance with its execution policy. The Company does not guarantee that the exact price requested will be obtained in all circumstances and, in any event, the factors may lead to a different result in a particular transaction.

10.5. The Execution Venue may be changed at the Company's discretion by giving at least one (1) business day prior notice to the Clients on the Website.

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

11. Execution Quality Summary Statement

11.1. The Company will summarize and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where they execute orders in the preceding year and information on the quantity of execution obtained.

a) Information on the class of financial instrument;
b) Venue name and identifier; and
c) Volume of client orders executed on that execution venue expressed as a percentage of total executed volume.

11.2. The Execution Quality Summary Statement ("EQSS") is a document which enables the public and investors to evaluate the quality of the Company's execution practices and to provide information in relation to client orders executed on trading venues/liquidity providers. Clients and prospective Clients must read the EQSS.

12. Amendment of the Policy and Additional Information

12.1. The Company will monitor on a regular basis and the effectiveness of this Policy and the execution quality of the procedures explained in this Policy, making any changes where appropriate.

12.2. 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 Service Agreement.

It should be noted that the Company will not notify Client separately of changes, other than substantial material changes to the Policy, and Clients should therefore refer from time to time to the website of the Company at www.banxso.eu for the most up to date version of the Policy.

12.3 Should you require any further information and/or have any questions about this policy please direct your request and/or questions to cs@banxso.eu.