



Order Execution Policy

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4 Theklas Lysiotti St, Harmony House, Office 31, 3rd floor, 3030 Limassol, Cyprus
Tel: +357 25 108 111, www.nessfx.com



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1. Introduction

The Website of NessFx is owned and operated by FXNET Limited. FXNET Limited (hereinafter referred to as 'FxNet', the 'Company', the 'Firm', 'us', 'our') is a Cypriot Investment Firm (CIF) which is authorized and regulated by the Cyprus Securities and Exchange Commission ("CySEC"), under license number 182/12, incorporated and registered under the laws of the Republic of Cyprus (Certificate of Incorporation No. 300624), registered office at 4 Theklas Lysiotti St, Harmony House, Office 31, 3rd floor, 3030 Limassol, Cyprus.

2. Scope

- 2.1** The Order Execution Policy (the 'Policy') contains the most important and relevant components of the Company's execution policy which provides information in respect to orders and helps Clients to effectively use order execution services provided by the Company. The policy is provided to you (our Client or prospective Client) in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017 ("the Law").
- 2.2** The Company is obliged to take all reasonable steps to obtain the best possible result ('Best Execution') on behalf of its Clients when executing orders, as provided in the Best Execution Policy.
- 2.3** When establishing a business relation with the Client, the Company is required to obtain Client's prior consent to the Order Execution Policy. The Company is also required to obtain Client's prior express consent before it transmits Client's order for execution outside a regulated market or an MTF (Multilateral Trading Facility).
- 2.4** The Company will monitor the effectiveness of its Order Execution arrangements and this Policy and regularly assess whether or not the execution venues it accesses continue to provide the best possible results for orders it executes on behalf of Clients. The Company will review, at least annually or when a material change occurs, both its order execution arrangements and this Policy. Material changes to this Policy will be notified through the Company Website and be available to actual and potential Clients.

3. Application

- 3.1** The Policy applies to following Financial Products:
 - Transferable Securities.
 - Money-market instruments.
 - Units in collective investment undertakings.
 - Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.
 - Financial contracts for difference.



- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as any other contract relating to assets, rights, obligations, indices and measures not otherwise mentioned in this part, which have the characteristics of other financial instruments, having regard to whether, inter alia, are traded on a regulated market or an MTF, are cleared and settled through recognized clearing houses or are subject to regular margin calls.

This policy applies when receiving and transmitting Client orders or executing orders for the Client for all the types of CFDs offered by the Company. This policy is also applicable when providing the service of Portfolio Management.

3.2. Place of execution of orders

- When the Company transmits client's orders for execution to third party liquidity providers then the place of execution is the liquidity provider.
- When the acts as the other party to the Transactions concluded with the Client on Financial Instruments, the place of execution of Orders is the Company.

4. Types of orders

4.1 The Company provides the Client with an option to place following types of Orders:

- A Market Order which is an order that the Company makes every effort to execute at the best available price. Generally, this order will be executed immediately, however, the price at which a market order will be executed is not guaranteed, and may be executed at a worse or better price, known as negative or positive slippage. The Client may attach a stop loss and/or a take profit and/or a trailing stop after the market order is executed.
- A Limit or Range Order which is an order to sell a financial instrument at no less than a specific price or buy a financial instrument at no more than a specific price. The Client may attach a stop loss and/or a take profit before the order is executed. In this case the order will be executed at the price specified or better. A trailing stop can be attached after the order is executed.
- A Pending Order or an Entry Order which is an order to be executed at a later time and a price that the Client specifies. When the price reaches the price specified by the Client, then the order becomes a market order. Negative and positive slippage applies to pending orders. The Client has the option to place the following pending or entry orders:
 - i. A Buy Limit Order, which is a pending or entry buy order placed below the current market price. If the market price drops to the level of the buy order that order is then triggered.



- ii. A Buy Stop Order, which is a pending or entry buy order placed above the current market price. If the market price rises to the level of the buy order that order is then triggered.
- iii. A Sell Limit Order, which is a pending or entry sell order placed above the current market price. If the market price rises to the level of the sell order that order is then triggered.
- iv. A Sell Stop Order, which is a pending or entry sell order placed below the current market price. If the market price drops to the level of the sell order that order is then triggered.
- A Trailing Stop Order which is a stop loss order set in terms of points (pips) level below the market price – for a long position and above the market price – for a short position. The trailing stop price is adjusted as the price fluctuates.

5. Best Execution Criteria

- 5.1** When executing Client's order, the Company may take into account the following criteria for determining the relative importance of price, costs, speed, likelihood of execution and settlement, size and any other consideration relevant to order execution (the 'Execution Factors'):
- the characteristics of the Client including his/her classification as Retail or Professional
 - the characteristics of the Client's Order
 - the characteristics of the financial instruments that are the subject of that order
 - the characteristics of the execution venues to which that order can be directed.
- 5.2** For Retail Clients, 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.

6. Best Execution Factors

- 6.1** The Company shall take all reasonable steps to obtain the best possible result for its Clients taking into account the following factors when dealing with Clients' orders against the Company's quoted prices:
- i. **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 Firm's price. The difference between the lower and the higher price of a given Financial Instrument is the spread.



i. Orders:

Such orders as Buy Limit, Buy Stop and Stop Loss/ Take Profit for opened short positions are executed as ASK price. Such orders as Sell Limit, Sell Stop and Stop Loss/Take Profit for opened long position are executed at BID price. All orders once triggered are executed as Market Orders at the best available price.

The Company's price for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third party external reference sources. The Company's prices can be found on the Company's website or trading platforms. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews its third party external reference sources from time to time to ensure that the data obtained continues to remain competitive. The Company will not quote any price outside the Company's operations time therefore no orders can be placed by the Client during that time. Certain ex-ante and ex-post quality checks are conducted by the Company to ensure that prices obtained and subsequently passed on to Clients remain competitive. Such checks include, but not limited to, reviewing system settings/parameters, comparing prices with reputable price sources, ensuring symmetry of spread and checking the speed of price updating.

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 Agreement and/or the Company's website at ([Click here](#))

ii. Costs:

The Client is charged a spread (liquidity quoted prices plus a mark-up) and may be requiring paying swaps (overnight interest rate) or commission, if applicable, in some financial instruments depending on the account type. Commissions and Swaps are not incorporated in to the firm's quoted prices, but charged separately. A detailed information regarding costs is provided in the 'Costs, Fees and Charges' section of the Company's Terms and Conditions.

- Swaps are charged in the form of points (pips) or monetary terms depending on the financial instrument, which are based on market interest rates, which may vary from time to time. The Company has the right to change the swap rates at any given time without any notice.
- Commissions may be charged in the form of a percentage of the overall value of the trade or as fixed amounts. More information on commissions can be found on the Company's website.

In addition, where the Company transmits orders for execution to another third party, the Client may be required to pay additional costs (whether Execution Venue fees or other fees paid to a third party involved in the transaction), the amount of which is disclosed on the Company's website.

Note that the Company nevertheless may obtain a commission/inducement from its Liquidity Provider in consideration for the transmission of Clients Orders for execution to the Liquidity Provider. The Client has the right to contact the Company for more clarifications in relation to these commissions.

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 Agreement found on the Company's website. Such notice may be sent personally to the Client and/or posted on the Company's website.

iii. Speed of Execution:

The Company acts as a principal on the Client's behalf; therefore, the Firm's Execution 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.

iv. Likelihood of Execution:

The Company acts as a principal on the Client's behalf; As the Company received direct liquidity from the markets, the execution may be more difficult. Therefore, the likelihood of execution depends on the availability of prices of other market makers / financial institutions (Execution Venues). This means that likelihood of execution depends on the availability of prices of other market makers / financial institutions. Although the Company arranges for the execution of all orders placed by the Clients, it reserves the right to decline an order of any type or to execute the order at the best available price.

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 be either rejected or partially filled.

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/General Terms and Conditions. Without prejudice to General Terms & Conditions (GTC), the Company has the right to close at market prices and or limit the size of Client Open Positions and to refuse new Client Orders to establish new positions in any of the following cases:

- a. The Company considers that there are abnormal trading conditions.
- b. The value of Client collateral falls below the minimum margin requirement.
- c. At any time equity (current balance including open positions) is equal to or less than a specified percentage of the margin (collateral) needed to keep the open position.



- d. In case of fraud or Abusive Trading of the Client.
- e. The system of the Company rejects the Order due to trading limits imposed on the Account.
- f. When the Margin Level reaches the Stop Out Level (ratio of Equity to Margin in the Client Account), the Client positions will start closing automatically at market prices starting with the most losing Order and the Company has the right to refuse a new Orders. Stop Out level is available on the Website and/or the Platform.
- g. When the Client is holding a position Open on Future after the official expiry date.

In order to improve speed and likelihood of execution the Company carries out certain ex-ante and ex-post quality checks. Such checks include, but are not limited to, symmetric slippage checks, number of trades to slippage and comparing our average speed of execution with industry standards

v. Likelihood of Settlement:

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

vi. Size of Order:

The size of an Order is expressed in lots. The minimum and the maximum order size may depend on the account type and/or asset class and/or particular financial instrument. The Company reserves the right to alter the minimum and/or maximum order size at any given time. A detailed information regarding available order sizes can be found on the Company's Internet Website.

vii. Market impact:

Some factors may rapidly affect the price of the Underlying Asset from which the Company's quoted price is derived and may also affect other factors listed herein. The Company will take all sufficient steps to obtain the best possible result for its Clients.

viii. Other factors – low rank:

- With regard to the retail client, the best result is determined in general, taking into account the price and costs associated with the execution of the Order, covering all expenses incurred by the Client in direct connection with the execution of such an Order.
- The Company immediately notifies the Client about all circumstances that prevent the execution of the Order.
- The Company mainly rely on its counterparties (liquidity providers) to execute client Orders.

ix. Orders' time of execution:

- The Company executes Clients' Orders in the sequence they are received, unless something different results from Agreement, the conditions of an Order specified by the Client, character of an Order or if such sequence of Order's execution is not in Client's interest. In the period when market opens standard times of Order's executions as set out below do not apply.



- An Open Position on CFD shall be closed without Client's consent after 365 days from the date of opening the position unless:
 - a) the Client closes the position;
 - b) the Company exercises the right to close Client's Transaction beforehand in situations specified in the Client Agreement.

7. Execution Venues

7.1 Execution Venues are the entities with which the orders are placed or to which the Company transmits orders for execution. For the purposes of orders in the various financial instruments offered, the Company acts as a principal; The transactions entered by the Client in financial instruments with the Firm are not undertaken on a recognized exchange or an MTF (Multilateral Trading Facility), rather they are undertaken over the counter (OTC) through the Company's Trading Platform and, accordingly, they may expose the Client to greater risks than regulated exchange transactions.

Depending on the type of account you have with the Company, either the Company or a third party liquidity provider will be the Execution Venue for the execution of Client orders (as defined in Commission Directive 2006/73/EC implementing MiFID).

No	Execution Venue	Venue Characteristics	Services
1	IS PRIME	PRIME BROKER	FX, Commodities, Equity Indices
2	SWISSQUOTE	BANK	FX, Equity Indices, Commodities
3	VELOCITY	PRIME BROKER	FX, Equity Indices, Shares, Commodities, Bonds

The Company evaluates and selects the Execution Venues based on a number of criteria including such as (but not limited to) the following:

- (a) the regulatory status of the institution
- (b) the ability to deal with large volume of Orders
- (c) the speed of execution
- (d) the competitiveness of commission rates and spreads
- (e) the reputation of the institution
- (f) the ease of doing business
- (g) the legal terms of the business relationship
- (h) the financial status of the institution
- (i) various qualitative criteria such as clearing schemes, circuit breakers and scheduled actions.

The Company places different relative importance on each of the criteria mentioned above by using its commercial judgment and experience in the light of the information available on the market.

The Company selects to work with those third party venues that enable the Company to obtain on a consistent basis the best possible result for the execution of Client orders. 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.

8. Execution Risk

8.1 The Client shall be aware of the following execution risks:

i. Market Volatility:

There may be significant market movement after a news announcement or economic event or between the close and re-opening of a market which will have a significant impact on the execution of an order. Clients should be aware of the following risks associated with volatile markets, especially at or near the close of the standard trading session:

- An order may be executed at a substantially different price from the quoted bid or offer.
- Executed or may be executed in several shapes at different prices.
- Opening prices may differ significantly from the previous day's close.

In respect to the above market risks, the Company will take all reasonable steps to obtain the best available price for its Clients.

ii. Slippage:

Due to fast moving markets, all type of Orders as disclosed in the General Trading Conditions section of the Agreement will be executed at prices worse or better due to Negative or Positive Slippage, although the Company will take all reasonable steps to provide Clients the best available price.

It is important to note that Slippage does not affect the Negative Balance Protection and therefore the Client will never lose more than the amount invested (including any profit, if gained), even if a slippage occurs. In addition, transactions in some currencies (e.g. RUB) or other instruments (e.g. shares, indices) which are not traded on a 24 hours basis, may experience a Market Gap on a daily basis and are therefore more susceptible to slippage.

iii. Technical Errors:

In some cases, delays in execution beyond the Company's control may occur as a result of technical failures or malfunctions in connection with use of the Company's Online Trading Facility or internet connectivity or processing speed for which the Company does not accept responsibility.

9. Monitor and Review

- 9.1** The Company will monitor the effectiveness of its order execution arrangements and this Policy and regularly verify whether the execution venues it accesses continue to provide the best possible results for orders executed on behalf of Clients. The Company will review, at least annually or when a material change occurs, both its order execution arrangements and this Policy. Material changes to this Policy will be notified through the Company's Website and be available to existing and potential Clients.
- 9.2** The Company monitors the implementation of this Policy by verifying the quality of quotations, including the marketability of quoted prices, verification of realized deviations of transaction prices from prices on the transaction platform, monitoring complaints about Orders placed by Clients, and undertaking an independent assessment of the way of Order execution as part of internal control or internal audit

10. Market Hours

- 10.1** The Client may trade through his/her trading account from Sunday 00.00 (Cyprus Time) until Friday 00.00 (CY time). During the daylight-saving hour's period, trading time will be from Sunday 23:00 (CY Time) until Friday 23:00 (CY Time). It should be noted that trading of certain financial instruments occurs during specific time frames, which are provided on the Company's website.

11. Amendments to Policy

- 11.1** The Company reserves the right change and update the terms of this Order Execution Policy from time to time. All amended terms shall be effective five (5) calendar days after their initial posting on the Company's Website, or as of the first time that the Client access and or uses Online Trading Facility after such amendments were made, whichever is sooner, unless the Company amends the Order Execution Policy to comply with legal or regulatory requirements. In the latter cases the amendments will become effective as required, or ordered.

12. Important Disclosures

- 12.1** The Company undertakes 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 Client orders were executed in the preceding year and information on the quality of execution obtained, in accordance to the relevant regulatory requirements.

The Company will publish an annual Execution Quality Summary Statement (EQSS) which will, for each class of financial instruments, include a summary of the analysis and conclusions the Company will draw from its detailed monitoring of the quality of execution obtained on the execution venues where all Client orders were executed in the previous year.

The EQSS will include:

- (a) an explanation of the relative importance the Company gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;
- (b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
- (c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
- (d) an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;
- (e) an explanation of how order execution differs according to Client categorisation, where the Company treats categories of Clients differently and where it may affect the order execution arrangements;
- (f) an explanation of whether other criteria were given precedence over immediate price and cost when executing retail Client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the Client;
- (g) an explanation of how the Company has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575;



(h) where applicable, an explanation of how the Company has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

12.2 The most recent EQSS Disclosures as well as RTS 28 and/or RTS 27, as applicable, can be found on the Company's website under following link: <https://nessfx.com/about/eqss/>