



## SUMMARY

### BEST INTEREST AND ORDER EXECUTION POLICY

#### **1. Introduction**

This Summary Best Interest and Order Execution Policy (“the Policy”) is provided to you (our Client or prospective Client) in accordance with the Investment Services and Activities and Regulated Markets Law of 2017, Law 87(I)/2017 (“the Law”).

Pursuant to the Law, IFC Investments Cyprus Limited (“the Company”) is required to take all sufficient steps to act in the best interest of its Clients either when executing or receiving and transmitting Client Orders for execution and to achieve the best execution results when executing Client Orders and to comply, in particular, with the principles set out in the Law when providing investment services.

By opening a Trading Account, you agree/consent to the fact that your Orders will be executed outside a Regulated Market (e.g. Licensed European Stock Exchange) or a Multilateral Trading Facility (e.g. European Financial Trading System).

#### **2. Scope**

2.1. This Policy applies to both Retail and Professional Clients (as defined in the Company’s Client Categorisation Policy found at <https://ifc-center.com/legal-documents/> . If the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to such an Eligible Counterparty.

2.2. This Policy applies when receiving and transmitting Client Orders or executing orders for the Client in relation to the following financial instruments:

- ‘Transferable securities’ which means those classes of securities which are negotiable on the capital market, such as:
  - shares in companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares;
  - bonds or other forms of securitised debt, including depositary receipts in respect of such securities;
  - any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures;
  - money market instruments

2.3. This policy is also applicable when providing the service of Portfolio Management.

2.4. The best execution obligation applies to all financial instruments irrespective of whether the trade has occurred on or outside a trading venue.

#### **3. Best Execution Factors**

3.1. The Company shall take all sufficient steps to obtain the best possible results for its Clients when receiving, transmitting and executing Client Orders as well as when performing the service of portfolio management by placing orders for execution with the Company’s Execution Entities/ Brokers, as follows:

- i. The Company takes into account the following factors when dealing with Client orders: the price, costs, speed, likelihood of execution and settlement, size, nature, market impact or any other consideration relevant to the execution of the order.
- ii. The relative importance of the execution factors varies between different financial instruments. In most circumstances, price will be the most important execution factor;



- however, in some circumstances in particular with reference to the execution criteria (see Section 4), the Company may appropriately determine that other execution factors have greater importance in achieving the best possible result for the Client.
- iii. The overarching requirement to take “all sufficient steps” requires the Company to verify on an on-going basis that its (execution) arrangements are implemented, and that it will take all appropriate remedial actions if any deficiencies are detected so that it can properly demonstrate that it has taken “all sufficient steps” to achieve the best possible results for its Clients.
  - iv. The Company usually routes orders for execution to other brokers/ execution venues. In routing orders, the Company seeks markets that provide the greatest liquidity and thus potential for execution of large orders. The Company also seeks opportunities for client orders to benefit from order-size commitments offered by third parties.
  - v. **Price:** Where the Company executes an order, it shall check the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product. Certain ex-ante and ex-post quality checks, including comparisons of the relevant product with similar or other comparable products, are conducted, where possible, by the Company in order to ensure that prices obtained and subsequently passed on the clients remain competitive.
  - vi. **Costs:** For executing an order the Client may be required to pay commission and/or financing fees, the amount of which is disclosed on the Company's Fee Schedule, which is integral part of Client's Agreement.

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 Fee Schedule, which is integral part of Client's Agreement. Such notice will be sent personally to the Client by the authorized e-mail.

- (a) **Speed of Execution:** it refers to the speed with which the Company is likely to be able to execute the order on the venues available, meaning the time between reception of the order by the Company and transmission of the order to the execution entity/broker until the order is executed. The Company seeks to provide client orders with the fastest execution reasonably possible although delays may occur.
- (b) **Likelihood of Execution:** When the Company transmits Orders for Execution or executes it with another party, execution may be more difficult. The likelihood of execution depends on relative liquidity of the venue available for execution.
- (c) **Likelihood of settlement:** The Company will use its best endeavours to ensure settlement of the relevant transactions upon execution. This includes the ability to manage potential risks such as: the relative risk that a counterparty for an order may default on its obligation to settle a trade, taking into account venue rules and applicable legislation, trading conventions, identity of counterparty (where disclosed), technical and operational risk affecting delivery, etc.;
- (d) **Size of order:** depending on the market liquidity of a financial instrument, the order size (any large order compared with normal market size) might have an influence on the market price;
- (e) **Market Impact:** this entails detecting threats to the orderly operation of financial markets, including to reliability and transparency of their price formation process and tackling any behaviour that may conclusively result in cascading market impact or large market impact in general.

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. Nevertheless, whenever there is a specific instruction



from the Client, the Company shall make sure that the Client's order shall be executed following the specific instruction.

#### **4. Execution Practices in Financial Instruments**

##### **(a) Slippage**

You are warned that Slippage may occur when trading in the aforementioned financial instruments. This is the situation when at the time that an Order is presented for execution, the specific price showed to the Client may not be available; therefore the Order will be executed close to or a number of ticks away from the Client's requested price. So, Slippage is the difference between the expected price of an Order, and the price the Order is actually executed at. If the execution price is better than the price requested by the Client, this is referred to as positive slippage. If the executed price is worse than the price requested by the Client, this is referred to as negative slippage. Please be advised that Slippage is a normal element when trading in financial instruments. Slippage more often occurs during periods of illiquidity or higher volatility (for example due to news announcements, economic events and market openings and other factors) making an Order at a specific price impossible to execute. In other words, your Orders may not be executed at declared prices.

It is noted that Slippage can occur also during Stop Loss, Take Profit and other types of Orders. We do not guarantee the execution of your Pending Orders at the price specified. However, we confirm that your Order will be executed at the next best available market price from the price you have specified under your pending Order.

##### **(b) Re-quoting**

This is the practice of providing a secondary quote to the client after an 'instant order' has been submitted; the client must agree to this quote before the order is executed. The Company will requote 'instant orders' if the requested price originally specified by the client is not available. The secondary quote provided to the client is the next best available price received by the Company from its Execution Entity. The Company does not re-quote 'pending orders' or 'market orders'. Re-quotes apply to all types of Accounts.

#### **5. Types of Order(s) in Trading Financial Instruments**

The particular characteristics of an order may affect the execution of the Client's Order. Please see below the different types of Orders that a Client can be placed:

##### **(a) Market Order (s)**

A Market Order is an order to buy or sell a Financial Instrument as promptly as possible at the prevailing market price that is available. Execution of this Order results in opening a trade position. Financial Instrument are bought at ASK price and sold at BID price. Stop Loss and Take Profit Orders can be attached to a Market Order. Once the "market order" is triggered it shall be subject to the conditions described in the "Good 'till Cancelled" and "Good 'till Day" below.

Good 'til Cancelled ('GTC') (= Expiry): this is an execution setting that the client may apply to 'pending orders'. The order may remain 'live' and pending for execution until such time as the order is triggered and treated as a market order or cancelled by the client.

Good til Date ('GTD'): this is an execution setting that applies to 'pending orders' traded through Trading systems.



## **(b) Instant Order(s)**

An Instant Order is an Order to buy or sell a Financial Instrument to the most recently available price. In Instant Execution if the requested price is not available, the current available price will be sent to the Client to confirm execution (re-quote). Instant Orders are offered for all type of Financial Instrument's Trading Accounts.

## **(c) Pending Order(s)**

A Pending Order is an Order that allows the user to buy or sell a financial instrument 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 (see section 3.1. (a) above). In this case, the Company will execute the order at the next best 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. This is an Order to buy or sell a financial instrument in the future at the next 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 Orders to trading accounts for Financial Instruments.

**Buy Stop:** This is an Order to buy at a specified price ('the stop price') that is higher than the current market price. Once the market reaches the 'stop price', the 'stop order' is triggered and treated as a market Order.

**Sell Stop:** This is an Order to sell at a specified price ('the stop price') that is lower than the current market price. Once the market reaches the 'stop price', the 'stop order' is triggered and treated as a market Order.

**Buy Limit:** This is an order to buy at a specified price ('the limit price') that is lower than the current market price. Once the market reaches the 'limit price' the order is triggered and executed at the 'limit price' or better. The 'limit order' is treated as a market Order. 'Limit orders' can be placed as close to the current market price as possible; there is no restriction.

**Sell Limit:** This is an order to sell at a specified price ('the limit price') that is higher than the current market price. Once the market reaches the 'limit price' the order is triggered and executed at the 'limit price' or better. The 'limit order' is treated as a market Order. 'Limit orders' can be placed as close to the current market price as possible; there is no restriction.

**Take Profit:** Take Profit Order is intended for gaining the profit when the financial instrument'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 position 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). Take Profit Orders can be modified and can be cancelled. .

**Stop Loss:** Stop Loss Order is used for minimising of losses if the financial instrument's price has started to move in an unprofitable direction (opposite direction of the expected one). If the financial instrument's price reaches this stop loss level, the whole position will be closed automatically. Such Orders can be 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). Stop Loss orders can be modified and can be cancelled.

## **6. Best Execution Criteria**

6.1 The Company will determine the relative importance of the above Best Execution Factors (of paragraph 3 above) by using its commercial judgment and experience in the light of the information available on the market and taking into account:

- (a) The characteristics of the Client, including the categorisation of the client as retail or professional.
- (b) The characteristics and nature of the Client order (including as to whether specific instructions are given by the client).



- (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.

The Company assigns the following importance level to the Best Execution Factors:

FACTOR	IMPORTANCE LEVEL	REMARKS
Price	High	We give strong emphasis on the quality and level of the price data that we receive from external sources (i.e. Execution Venues or brokers) in order to provide our Clients with competitive price quotes.  Price will vary according to factors such as market liquidity, market rules regarding quotations, bids and offers, etc.;
Costs	High	We take all reasonable steps to keep the costs of your transactions as low and competitive, to the extent possible.
Speed of Execution	High	Execution speed and the opportunity for price improvement are critical to every trader and we repeatedly monitor this factor to ensure we maintain our high execution standards.
Likelihood of Execution	High	This refers to the likelihood of successfully completing a Client transaction. The Company aims to execute all Client Orders, to the extent possible.
Likelihood of Settlement	Medium	See relevant description in Best Execution Factors (See Section 3).
Size of Order	Medium	See relevant description in Best Execution Factors (Section 3).
Market Impact	Medium	See relevant description in Best Execution Factors (Section 3).
Nature of Order	Medium	This is how the particular characteristics of a Client's order can affect how best execution is received.

For Retail Clients, the best possible result shall be determined in terms of the total consideration, unless the objective of the execution of the order dictates otherwise, 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, as applicable.

For the purposes of delivering best execution where there is more than one competing Execution Venues/entities 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 venues/entities that is capable of executing that Order, the Company's own commissions and costs for executing the order on each of the eligible execution venues/entities 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 venues/entities.

## **7. Client's Specific Instruction**

7.1. Whenever there is a specific instruction from or on behalf of a Client, relating to the order (with respect to the execution of an order or transmission of an order to another entity for execution 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. The Company will be deemed to have satisfied its best execution / best interest obligation to the extent that it follows Client's specific instructions only in respect of the part or aspect of the order to which the Client's specific instructions relate. For example:

- Where the Client instructs the Company to execute or transmit an order on a particular venue/entity, the Company will not be responsible for selecting the venue/entity;
- Where the Client instructs the Company to execute or transmit the order at a particular time or over a particular period, regardless of the price available, the Company will endeavour to execute the order at that time or over that period in the best possible manner but will not be responsible for timing or any of the consequences for price or other factors that results from the timing of execution or transmission.

**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.

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

## **8. Execution on Client Orders**

8.1. 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;
- (c) informs a retail Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

## **9. Execution Venues/Entities**

9.1. Execution Venue is the entity or entities with which the Orders in Financial Instruments are transmitted for execution. The Company does not execute Client Orders in Financial Instruments on an own account basis, as principal to principal against the Client. The Company uses a third party broker for routing its clients' orders for execution.

9.2. The Company selects the Execution Venues or execution entities (e.g. broker) through the application of appropriate due diligence and consideration of a number of factors, including the execution factors provided in section 3 above (as well as both quantitative and qualitative factors), in order to ensure that the Executions Venues and execution entities (e.g. brokers who act as intermediaries between the client and Execution Venues) are able to consistently provide Clients with the best possible result.

In particular, 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 execution entity (i.e. broker) ;
- b) the ability to deal with large volume of Orders;
- c) availability of financial instruments
- d) the speed of execution;
- e) the competitiveness of commission rates or spreads;
- f) the reputation of the execution entity (i.e. broker);
- g) the ease of doing business;



- h) the legal terms of the execution entity (i.e. broker);
- i) the financial status of the execution entity (i.e. broker);
- j) 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.

The Company will strive to use Execution Entities that themselves have a MIFID II compliant Order Execution Policy.

When the Company places orders or transmits orders for execution to other entities (e.g. brokers), it will ensure that such entities have policies and arrangements that enable the Company to comply with its obligations to act in the best interest of Clients when placing orders with, or transmitting orders to, other entities for execution.

The Company does not receive any remuneration, discount or major non-monetary benefits for routing its Clients' orders to a particular execution venue or execution entity, which would infringe its obligations with regards to conflicts of interest or inducements.

9.3. The Client acknowledges that transactions entered in Financial Instruments with the Company may not be undertaken on a recognised exchange, rather they are undertaken over the counter (OTC) (i.e. via a broker – dealer network) and as such they may expose the Client to greater risks (e.g. counterparty risk) than regulated exchange transactions. If you require more information regarding the consequences of this means of execution please contact us in one of the official contacting methods of the Company.

9.4. The Company, before deciding which Execution entities to use for client orders, it compares different execution entities/brokers and performs due diligence of them. Some of the parameters that the Company evaluates, include the following:

- Availability of best price for a specific Financial Instrument and liquidity of the Execution Venue or broker;
- Speed of communication/execution – the time it takes to place a Client order in the market or to execute it.
- Fees/Cost of execution as well as cost of clearing and settlement
- Likelihood of execution (access to relevant execution venues)
- Size of the order – whether it has access to markets that provide the greatest liquidity and thus potential for execution of large orders.
- Quality of execution and service, both historical and current, based on the review performed;
- Quality of any related clearing and settlement facilities;
- Technological infrastructure and capabilities of the Execution Venue and broker;

In general, the Company places great significance on the choice of its Execution Entities/brokers as it strives to offer, on a consistent basis, best execution to its Clients.



9.5. The Company randomly selects a sufficient and representative sample of trades/orders to ensure, with a high statistical confidence level, that it constantly obtains and will obtain the best possible results for the Clients. This is verified by selecting samples from different periods of time, for different instruments and types of orders. Also the sample checks include trades under irregular market events.

9.6. A list of the execution entities and/or brokers that the Company uses per class of Financial Instrument for Retail Client orders and Professional Client orders is provided in Appendix 1. The Company mitigates counterparty credit risk by only transacting with counterparties included in Appendix 1. The Appendix will be periodically reviewed and updated according to the criteria set out above.

The Company reserves the right at any time to remove from this list any entity which it considers to no longer be appropriate, or to add to this list any entity the addition of which it considers would be in the best interest of its Clients. The Company's Clients have the right at any time to request an updated version of this list.

## **10. Important Disclosures**

10.1. 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.

10.2. 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.

10.3. 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.

10.4. The abovementioned Annual report is released by the end of April each calendar year. You can find the latest Execution Quality Summary Statement ('EQSS') here: <https://ifc-center.com/legal-documents/>.



## **11. Client's Consent**

11.1. By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on him (i.e. this Policy forms part of the Client Agreement found at <https://ifc-center.com/legal-documents/>).

## **12. Monitoring and Review**

12.1. The Company will regularly monitor, at least annually, its execution policy as well the effectiveness of its order execution arrangements in order to identify and, where appropriate, correct any deficiencies and to ensure that it complies with all regulatory requirements and obligations. The Company through regular monitoring will check that the best possible results were obtained for the clients and proceed with any corrective actions if needed.

## **13. Amendment of the Policy and Additional Information**

13.1. 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 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.ifc-center.com](http://www.ifc-center.com) for the most up to date version of the Policy.

13.2. Should you require any further information and/or have any questions about this policy please direct your request and/or questions to [backoffice@ifc-center.com](mailto:backoffice@ifc-center.com), [info@ifc-center.com](mailto:info@ifc-center.com) .



## Appendix 1

List of Execution Entities/ Brokers per class of Financial Instrument

<b>Class of Financial Instrument</b>	<b>Name</b>
Stocks	ALFA CAPITAL MARKETS LTD, AS BlueOrange Bank, EFG Bank Luxembourg, SIB (Cyprus) Limited, NGDEM Finance JSC
Debt Instruments (i.e. Bonds)	ALFA CAPITAL MARKETS LTD, AS BlueOrange Bank, EFG Bank Luxembourg, SIB (Cyprus) Limited, NGDEM Finance JSC