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IFC Investments Cyprus Ltd

Execution Quality Summary Statement

for the year 2020

on execution arrangements for BONDS



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Purpose

The Execution Quality Summary Statement (hereinafter the EQSS or the Statement) is a statement that IFC Investments Cyprus Ltd (hereinafter, the “Company”), an Investment Firm authorised and regulated by the Cyprus Securities and Exchange Commission with Licence Number 327/16, is required to disclose to its clients under Regulation EU 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.

The EQSS is a summary of the analysis and conclusions the Company drew from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders during the year 2020, covering a full year cycle (hereinafter, the “Year Under Review”).

The Company urges its clients and/or potential clients to read the Statement carefully as it contains information on how the Company executes orders to various execution venues when offering services related to Execution of Client Orders /Reception and Transmission of Client Orders / offering the investment service of Portfolio Management in relation to the Asset Class of Bonds.

The EQSS along with the accompanying tables will remain on the Company’s website for two years at least post its publication.

The Company considers that when it *Receives a Client Order and Transmits* it for *Execution* it is simultaneously offering RTO and Execution services in tandem. The Company does not consider that there is any possibility based on its business whereby it will offer clients RTO services only without Execution. The same considerations presented hereunder apply also for the service of portfolio management.



1. Relative Importance of Execution Factors during the Year Under Review

The Company when executing Clients' Orders is required under the relevant regulatory framework to assign a relative importance on the following execution factors:

- (a) Price;
- (b) Cost;
- (c) Speed of Execution;
- (d) Likelihood of execution;
- (e) Likelihood of settlement;
- (f) Size of order;
- (g) Market Impact;
- (h) Nature of order.

For details on how each factor is assessed ex ante when executing clients' orders please refer to the Company's [Best Interest and Order Execution Summary Policy](#). During the Year Under Review the Company offered services to the following categories of clients:

i. Retail Clients

For these clients, the Company by virtue of the applicable regulatory framework is required to provide best execution in accordance with total consideration whereby total consideration represents the price of the Financial Instrument and the costs related to execution, which include all expenses incurred by the client which 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.

ii. Professional Clients (including per-se Professional and elective Professionals)

For these clients during the year under review the Company placed emphasis on price and execution costs aligning its execution arrangements for these clients as those applicable to Retail Clients (see point i. above).

2. Execution Venues during the year under review

The Company's execution venue(s) during the year under review were:

| No. | Name of Execution Venue | Country of Establishment | Commencement date of the relationship with the Company | End date of the Business relationship with the Company |
|-----|--------------------------------|--------------------------|--|--|
| 1 | GPB-Financial Services Limited | Cyprus | 02/2018 | 03/2020 |
| 2 | SIB (CYPRUS) LIMITED | Cyprus | 05/2020 | N/A |
| 3 | Alfa Capital Markets Ltd | Cyprus | 11/2018 | N/A |

The Company does not have close links or common ownership structures with any of the aforementioned execution venues.



3. Change of Execution Venues during the year under review

The Company notes that during the year under review changed the list of execution venues as these are listed in its current [Best Interest and Order Execution Summary Policy](#) for the following reasons:

- (a) Alfa Capital Markets Ltd has been assessed by the Company as providing more attractive prices for executing client orders;
- (b) Alfa Capital Markets Ltd provides a wider range of instruments of the same asset class with which clients can trade;
- (c) Alfa Capital Markets Ltd has been evaluated by the Company in accordance to a strict initial due diligence programme for assessing execution venues and the Company decided to include the venue in its lists;

4. Conflicts of Interest

The Company lists (non-exhaustive) the possible conflicts of interest it is facing (inclusive of conflicts of interest in relation to the execution venues it uses) as well as the relative mitigation measures in its [Conflicts of Interest Summary Policy](#).

5. Payments or non-monetary benefits (made or received) to/by Execution Venues

During the Year Under Review the Company's arrangements with Alfa Capital Markets Ltd, SIB CYPRUS LIMITED and GPB-Financial Services Limited stipulated that the Company neither paid nor received any monies or non-monetary benefits from Alfa Capital Markets Ltd, SIB CYPRUS LIMITED and GPB-Financial Services Limited . The Company generates its revenues from Commissions/spreads paid by its Clients upon initiating a trading order. The Company's costs and charges are listed in annex to the client agreement and are signed by both parties.

6. Tools and Data used during the Year Under Review.

The Company during the Year Under Review deployed a number of methodologies and tools in order to monitor, and where applicable adjust, its execution parameters in order to ensure consistency with its overarching obligation to offer the best possible result for its clients' orders. In broad terms the Company monitors on an ongoing basis its execution arrangements by selecting appropriate samples of orders executed and evaluates the samples in accordance to the following dimensions:

- (a) Evaluating the Company's execution venues/facility in accordance to the following:
 - Pricing Frequency (price updates in real time);
 - Speed of execution;
 - Frequency and duration of price freezing;
 - Depth of liquidity;
 - Pricing transparency;
 - Slippage frequency etc.
- (b) Price Fairness by comparing independent prices relayed by independent market data providers with the prices quoted by its execution venues/facility, as well as comparing prices between execution venues not listed in the company's execution venues list. For this purpose, the Company has subscribed to independent price aggregators (such as Bloomberg,



Thompson Reuters, etc.) and uses quarterly reports published by other Execution Venues that trade similar or identical financial instruments with those offered by the Company.

- (c) Technological prowess of Company systems (responsiveness of interface, lag, integration with the IT systems of the execution venues etc.).

7. Reviews of Execution Monitoring - Control Functions

The Company's brokerage department produces reports on a monthly basis with the evaluation process described above (please refer to Section 6) and if actions are required liaise with the Company's senior management for next steps.

The Company's control functions (Compliance and Internal Audit) scrutinise the monitoring procedure conducted by the brokerage department and the actions taken by the Company's senior management. The Company's control functions present their findings to the Company's Board of Directors at least annually, for further scrutiny and actions.

The Company, under the applicable rules, is obliged to present the top five execution venues/transmission venues report on an annual basis in a machine-readable format (separately for retail and professional clients). Please [click here](#) to download the report for the year under review as a .csv file.