



# PRIOR CAPITAL

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## ORDER EXECUTION POLICY

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*This is not a marketing material, but an informative policy for the Clients' orders execution in compliance with Markets in Financial Instruments Directive II (MiFID II) and the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017)*

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***Risk Warning: CFDs are complex instruments and come with a high-risk of losing money rapidly due to leverage. 78.7% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high-risk of losing your money. Please consider our [Risk Disclosure](#).***

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## 1. INTRODUCTION

Prior Capital CY Ltd (former PriorFX Ltd) (hereafter the “Company”) is an Investment Firm authorized and regulated by the Cyprus Securities and Exchange Commission (hereafter the “CySEC”) under the License No. CIF221/13. The Company is incorporated and registered under the laws of the Republic of Cyprus under the certificate registration number HE321360. The head office of the Company is located at 196 Arch. Makarios III Ave., Ariel Corner, 3030 Limassol, Cyprus.

In accordance with Markets in Financial Instruments Directive II (MiFID II) 2014/65/EU and the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017) as amended the Company is required to provide its Clients and potential Clients with its Order Execution Policy (hereinafter referred to as the “Policy”). This Policy provides the procedures and methods the Company applies to ensure the prompt, fair and expeditious execution with best trade execution condition for their Clients, taking into account price, costs, speed, likelihood of execution, size, nature or any other consideration relevant to the execution of the order.

Upon acceptance of a Client order for securities listed on regulated markets and outside, the Company will endeavor to execute that order in accordance with the following Policy, unless otherwise instructed by the Client in respect to order execution.

This Policy forms part of the Client’s agreement with the Company and therefore, by entering into an agreement with the Company, you are also agreeing to the terms of this Policy, as set out in this document.

**NOTE: For you benefit and protection, please ensure you take sufficient time to read the Policy and any other additional documentation and information available to you via our official website, prior to opening an account and/or carrying out any activity with us. You should contact us for any further clarification or seek independent professional advice (if necessary).**

## 2. SCOPE

This Order Execution Policy applies both to Retail and Professional Clients when executing transactions for the financial instruments provided by the Company. If the Client decides to open a position in a financial instrument with the Company, then that open position can only be closed with the Company. The Company does not guarantee that when executing a transaction, the Client’s price will be more favorable than one which can be obtained elsewhere.

This Policy applies when the Company executes Client’s orders provided that the following criteria are satisfied:

- The Client is dealing in financial instruments covered by Company’s license;
- The financial instruments provided by the Company are derivatives of an underlying financial instrument, and it is up to the Company’s discretion to decide which types of financial instruments to make available and to publish the prices at which these can be traded;
- Specific instructions given by the Client do not prevent the Company from providing to the Client this Policy;
- The Company did not provide the Client with direct market access through an electronic interface which links only to a particular execution venue.

### 2A. Exemptions from Best Execution

The Policy will not apply you are classified as an Eligible Counterparty.

Subject to MiFID II Article 30 (1), which stipulates that the best execution obligation under Article 27 does not apply to Eligible Counterparties. Prior Capital CY Ltd ascertains that Eligible Counterparties have full knowledge and understanding of MiFID II and the corresponding national legislation.

## **2B. Execution Venues**

Execution venues are the entities with which the orders are placed and executed. Depending on the type of account you have with the Company, either the Company or a reliable counterparty (upper broker/liquidity provider) will be the execution venue for the execution of Client orders.

**A list of the execution venues and/or brokers Company may use per class of financial instrument is provided in the Policy.**

The Company applies a formalised process for the selection of an execution venue or broker through the application of appropriate due diligence and consideration of a number of factors in order to ensure that they are able to consistently provide Clients the best possible result on a continuous basis. The selection process of execution venues and brokers is provided in the Policy. Execution venues and brokers not specified in the Company's Order Execution Policy are only used on an exceptional basis when client instructions prevent the Company from transmitting the orders to pre-selected brokers, or where these brokers have no access to the venue where instrument is traded.

## **3. PROVISION OF SERVICES**

The Investment Services to be provided by the Company to the Client are:

- Execution of Orders on Behalf of Clients;
- Reception and transmission of orders in relation to one or more financial instruments;
- Dealing on Own Account;
- Portfolio Management;
- Provision of investment advice.

The Ancillary Services to be provided by the Company to the Client are:

- Safekeeping and administration of financial instruments, including custodianship and related services;
- Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction;
- Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings;
- Foreign exchange services where these are connected to the provision of investment services;
- Investment research and financial analysis or other forms.

The Company shall be offering the above investment services, in respect of the following financial instruments:

- (1) Transferable securities;
- (2) Money-market instruments;
- (3) Units in collective investment undertakings;
- (4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- (5) Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;

- (6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
- (7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
- (8) Derivative instruments for the transfer of credit risk;
- (9) Financial contracts for differences;
- (10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF;

The Company is authorised to provide services on CFDs on cryptocurrencies and has been given permission to provide services on cryptocurrencies as a form of any other business.

**Attention:** Cryptocurrencies and CFDs on Cryptocurrencies are an extremely volatile high-risk, speculative investment and you may experience a significant loss over a short-period of time or lose all your invested capital. They are not appropriate for all investors. Before trading, you need to ensure you fully understand the risks involved taking into consideration your level of experience and investment objectives. Seek independent advice and consultation from an independent financial advisor if you have any doubts.

The Company lists on its website the transactions that the Client can conclude with the Company and the financial instruments that the Client can buy or sell. The Company reserves the right to amend the transactions and the financial instruments concerned without prior notice.

#### 4. DEFINITIONS

For the purposes of this Policy, the following words and expressions shall have the meaning set out next to them:

**“Bid-Ask spread”**, is the difference between the price at which a market maker is willing to buy an asset and the price it is willing to sell at.

**“Client”** means any natural or legal person to whom an investment firm provides investment or ancillary services.

**“Dealing on Own Account”** means trading against proprietary capital resulting in the conclusion of transactions in one or more financial instruments.

**“Order”**, when used hereinafter, unless the context requires otherwise, shall mean an instruction to buy or sell a financial instrument which is accepted by the Company.

**“Execution of orders on behalf of Clients”** means acting to conclude agreements to buy or sell one or more financial instruments on behalf of Clients and includes the conclusion of agreements to sell financial instruments issued by an investment firm or a credit institution at the moment of their issuance.

“**Execution Venue**” includes a regulated market, an MTF, an OTF, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.

“**Execution Factors**”, when used hereinafter, unless the context requires otherwise, shall mean those factors listed in Paragraph 7 of this Policy.

“**Execution Criteria**”, when used hereinafter, unless the context requires otherwise, shall mean those factors listed in Paragraph 13 of this Policy.

“**Eligible Counterparties**”: are defined as Investment Firms, credit institutions, insurance companies, UCITS and their management companies, pension funds and their management companies, other financial institutions authorised or regulated under Union law or under the national law of Member State, national governments and their corresponding offices including public bodies that deal with public debt at national level, central banks and supranational organisations.

“**Financial Instruments**”, are the instruments specified in MiFID II Section C of Annex I and permitted by the license mentioned in Paragraph 3.

“**Interest rate swap**”, is a financial product through which two parties exchange flows; for instance, one party pays a fixed interest rate on a notional amount, while receiving an interest rate that fluctuates with an underlying benchmark from the other party. These swaps can be structured in various different ways negotiated by the counterparties involved.

“**Market Maker**”, means a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person’s proprietary capital at prices defined by that person.

“**MiFID II**” means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU including any applicable amending and/or supplementing directive and/or regulation.

“**Multilateral Trading Facility (MTF)**”, when used hereinafter, unless the context requires otherwise, shall mean a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with Title II of MiFID II.

“**Organized Trading Facility (OTF)**”, means a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of MiFID II.

“**Over the Counter (OTC)**”: over the counter trading is a method of trading that does not take place on an organized venue such as a Regulated Market or an MTF. It can take various shapes from bilateral trading to via permanent structures (such as systematic internalisers and broker networks).

“**Professional Client**” means a Client meeting the criteria laid down in Annex II of MiFID II.

“**Retail Client**” means a Client who is not a Professional Client.

“**Regulated Market (RM)**” means a multi-lateral system operated and/or managed by a market operator, which facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly as defined and in accordance with the provisions of MiFID II.

“**Specific Instructions**” means an instruction provided to the Company by a client when placing an order for execution, examples of such instructions may contain, but are not limited to, the selection of a limit price, a period of time the order may remain valid or request to execute the order on a specific venue.

“**Systematic Internaliser (SI)**” means an investment firm which, on an organized, frequent, systematic and substantial basis, deals on own account by executing client orders outside a RM, a MTF, an OTF, without operating a multilateral system.

## 5. ORDER EXECUTION ELEMENTS

**STP Model:** The Company acts as basically market-risk-less intermediary broker or equivalently principal, and in accordance with MiFID II matched principal. The Company is instantly setting-off all market risk from each Client’s contract effected using a Straight-Through Processing (STP) bridge with counterparties where each Client deal is set-off.

**Price of financial instruments:** For any given CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy that CFD (go long), and the lower price (BID) at which the Client can sell that CFD (go short). Collectively, the ASK and BID prices are referred to as the Company’s prices. The difference between the lower and the higher price of a given CFD is the spread. The Company’s price for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company receives price feeds from some of the world’s leading liquidity providers. Having multiple liquidity providers is important especially during abnormal market conditions, such as times of extreme volatility. Under these conditions and even if a certain number of liquidity providers decide to widen the spreads or stop quoting prices at all, the Company is still able to provide Clients with competitive prices which for MetraTrader 4 include Prior Capital’s mark-up. The Company’s prices can be found on the Company’s website or trading platforms.

**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. Prior Capital will re-quote ‘instant orders’ if the requested price originally specified by the Client is not available. The secondary quote provided to the Client is the next available price received by Prior Capital from its third party liquidity providers. Prior Capital does not re-quote ‘pending orders’.

**Slippage:** at the time that an order is presented for execution, the specific price requested by the Client may not be available; therefore, the order will be executed close to or a number of pips away from the Client’s requested price. If the execution price is better than the price requested by the Client this is referred to as ‘positive slippage’. In contrast, if the execution 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 market practice and a regular feature of the foreign exchange and stock markets under conditions such as illiquidity and volatility due to news announcements, economic events and market openings. Prior Capital’s automated execution software does not operate based on any individual parameters related to the execution of orders through any specific Client accounts.

**Price Adjustment:** a market-driven phenomenon reflecting the difference between the price requested by the trader and the price verified by the liquidity providers that affects the large tickets executed on multiple levels in the Depth of Market. Thus, the larger is the ticket, the higher the probability for an unfavorable price adjustment, meaning that large orders can be more expensive to execute than smaller orders.

**Partial fills:** this is the practice of executing an order in parts if there is not enough liquidity in the market at the time in order to fill-in the full order at a specific price. Partial fills may be executed at different prices.

**Cost:** for opening a position in some types of financial instruments the Client may be required to pay commission or financial fees, if applicable, the amount of which is disclosed on the Company’s website.

**Commissions:** commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount. The amount of the commission depends on the size of the transaction and is determined in proportion to **25 USD charged per 1 mln USD** trading volume, or its equivalent in another currency. Calculation of the commission total is made at the current forex rate. The commission fee is deducted from the account during the opening of the transaction for both operations at once (opening and closing). For more information please see our commissions at <https://priorfx.com/en/accounts/trading-conditions/>.

Additionally, Clients can view all Commissions and Fees history electronically from Company’s Interface

directly through Clients' personal area.

**Financing Fee:** in the case of financing fees, the value of opened positions in some types of financial instruments is increased or reduced by a daily financing fee ("swap rate") throughout the life of the contract (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 under Trading Conditions section at <https://priorfx.com/en/accounts/trading-conditions/>. 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.

Additionally, Clients can view all Commissions and Fees history electronically from Company's interface directly through Clients' personal area.

**Currency Conversion:** The Company may provide a currency conversion quote from the Client's base currency to the currency of the relevant financial instrument. This will not reflect and actual conversion of currency in the Client's account, and serves the purpose of calculating consideration in the base currency only.

**Mark-up/down:** The mark-ups depend on various circumstances, including amongst others, the nature of the financial instrument, and market conditions. In particular, the Clients shall be charged a spread when trading CFDs on forex, metals, oil, equities, indices and futures through MT4. This spread includes a mark-down on the bid price as well as a mark-up on the ask price Company receives from its price source and / or the prices Company receives from its reliable counterparty (liquidity provider), where applicable. Further information can be found available in our website.

## 6. ORDER TYPE EXECUTION

The Client can place with the Company the following types of orders:

- a. **Instant Order:** this is an order to either buy or sell at the 'Ask' or 'Bid' price (respectively) as it appears in the quotes flow at the time the Client presents the order for execution.
- b. **Pending Order:** a pending order is an order to buy or sell a financial instrument in the future once a certain price specified by the Client is reached. The Company offers four types of pending orders. **Buy Limit, Buy Stop, Sell Limit and Sell Stop.** Stop loss and/or take profit limits can be attached to this type of order. The Client may modify an order before executed but has no right to modify or remove 'Stop Loss', 'Take Profit' and 'Pending Order' orders if the price has reached the level of the order execution and orders have been transmitted automatically fully (in respect to current liquidity) by system for execution.
- c. **Pending Order Modification/Cancellation:** the Client may modify/cancel a 'Pending Order' if the market did not reach the level of the price specified by the Client and order has not been transmitted automatically fully (in respect to current liquidity) by system for execution.
- d. **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.
- e. **Stop Order:** this is an order to buy or sell once the market reaches the 'Stop Price'. Once the market reaches the 'stop price' the 'stop order' is triggered and treated as a 'market order'. If the 'stop order' is not triggered it shall remain in the system until a later date subject to the conditions described in the 'Good 'til Cancelled' section.
- f. **Stop Loss:** this is an order to minimise losses. Once the market reaches the 'stop loss price' the order is triggered and treated as a 'market order'. If the 'stop loss' is not triggered it shall remain in the system until a later date.

- g. **Take Profit:** this is an order to secure profits. Once the market reaches the ‘take profit price’ the order is triggered and treated as a ‘limit order’. If the ‘take profit’ is not triggered it shall remain in the system until a later date. For CFDs on FX, spot metals, equities and indices, ‘take profit’ orders should be placed a minimum number of pips away from the current market price in order for these to be valid. ‘Take Profit’ orders placed within the current bid-ask spread will be automatically removed.
- h. **Market Order:** this is an order to buy or sell at the best available price at the time of the execution.

## 7. BEST EXECUTION FACTORS

In general, all Client orders will be executed in accordance with the time of their reception. All sufficient steps will be taken in order to obtain, when executing orders, the best possible result for Clients taking into consideration a range of different factors as required by MiFID II and the relevant local legislation. These data are provided to Clients on ex-ante basis.

**Company’s price:** When acting as a market maker the Company calculates and provides its own tradable prices for a given CFD by reference to the prices of the relevant underlying asset, which the Company obtains from third party reputable external reference sources (i.e. price feeders). When acting as a straight through processing broker, 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 reputable external reference sources (upper brokers). The Company’s prices can be found on the Company’s trading platform(s) and/or website. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews its used third party external reference sources at least once a year, to ensure that the data obtained continue to be competitive. The Company will not quote any price outside Company’s operations time; therefore, no Orders can be placed by the Client during that time.

**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 referred to as the Company’s prices. The difference between the lower and the higher price of a given financial instrument is the spread which includes The Company’s mark-up. In general, in relation to CFD products, the term “spread” often encompasses two layers of costs, since a mark-up to a reference price may be applied, but that reference price is also derived from a market price with an accrued “core” spread already factored in. Any mark-up applied by the Company will be symmetrical to either:

- the data received from independent market data providers or publicly available sources (when dealing on own account), or
- the price provided by the selected execution venues relating to the provision of CFDs and other speculative products.

**Pending Orders:** Such orders as Buy Limit, Buy Stop and Stop Loss/Take profit for opened short position are executed at ASK price. Such orders as Sell Limit, Sell Stop and Stop Loss/Take profit for opened long position are executed at BID price.

The Company’s price for a given financial instrument is calculated by referencing the price of the relevant underlying financial instrument and/or asset, which the Company obtains from third party liquidity providers. The Firm updates its prices as frequently as the limitations of technology and communications links allow. The Company will not quote any price outside Company’s operations time; therefore, no orders can be placed by the Client during that time.

For the platform, trades prices are obtained directly from the liquidity providers through an electronic execution system. This system automatically requests a quote from a selection of liquidity providers. In conjunction with the price, the Company quotes the available liquidity, (or 'market depth'), as obtained from its third-party liquidity providers. The Company's software will automatically aggregate all available liquidity at the best possible prices available and fill at the Volume-Weighted Average Price (V.W.A.P.).

## **8. SPEED AND LIKELIHOOD OF EXECUTION**

The Client acknowledges that the transactions entered into with the Company in Foreign Exchange and Financial Contracts for Difference are undertaken through the Electronic Trading Platform of the Company. The Orders will be executed on an 'over the counter' basis rather than on a regulated market or a Multilateral Trading Facility. Such Orders are automatically routed to an execution venue which the Company has assessed to be the best execution. The Company places a significant importance when executing Client's Orders and strives to offer high speed of execution within the limitations of technology and communications links.

If the Client undertakes transactions on an electronic system, like the Company's Electronic Trading Platform, he/she will be exposed to risks associated with the system including the failure of hardware and software (Internet/Servers). The result of any system failure may be that the Client's Order is either not executed according to the Client's instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure. The use of wireless connection or dial-up connection or any other form of unstable connection at the Client's end, may result in poor or interrupted connectivity or lack of signal strength causing delays in the transmission of data between the Client and the Company when using the Company's Electronic Trading Platform. This delay may result in sending to the Company out of date "Market Orders".

In this case the Company will update the price and execute the order at the market price available. The Client may request the Company to execute upon receipt instructions conveyed by telephone, e-mail or any other written or oral means of communication that each of the present and future account holders, attorneys and duly authorized representatives shall give individually to the Company, even if these instructions are not followed by a confirmation in writing. The Company does not accept any liability in case of misunderstanding, error in the identification of the person giving the instruction or other errors on its part related to such method of communication and which may involve losses or other inconveniences for the Client. The Company reserves the right not to execute instructions transmitted by telephone. Telephone conversations may be recorded, and you will accept such recordings as conclusive and binding evidence of the instructions.

The Company seeks to execute all Orders placed by its Clients.

## **9. ORDERS**

The Client requests a quotation at the price that is stated on the Company's Electronic Trading Platform. However, due to the high volatility of the market, prices may change before a Client can execute Orders at their determined price. The Company at this point, has the right to offer the Client a new price. The Client can either accept the new price and execute the Order, or refuse the new price, cancelling the Order transaction completely.

Orders can only be placed, executed, modified or closed within the trading time and shall remain effective through to the next trading session. The Client's Order shall be valid according to the type and time of the given Order. If the time of validity of the Order is not specified, it shall be valid indefinitely.

Order status is always shown on the Company's Electronic Trading Platform and can be accessed via the Client's online trading terminal. Should access to the Company's Electronic Trading Platform not be possible, Clients may contact the Company by telephone and request the status of any of their pending Orders.

Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop Orders on financial instrument contracts are executed at the declared by the Client price on the first current price touch. But under certain trading conditions it may be impossible to execute Orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, and Sell Stop) on any financial instrument contract at the declared price. In this case the Company has the right to execute the Order at the first available price. This may occur, for example, at the following cases:

- Trading Session start moments;
- During news times;
- During volatile markets where prices may move significantly up or down and away from declared price;
- Where there is rapid price movement, 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;
- If there is insufficient liquidity for the execution of the specific volume at the declared price.

The Company strives to provide the best possible price to its Clients and makes every effort and necessary arrangements to do so; however, it may be impossible to guarantee the execution of any or all the Pending Orders at the declared price. The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop Orders is between 1 to 5 times the spread for a given financial instrument.

### **1. SIZE OF ORDER**

The minimum size of an Order is 0.01 lots. A lot is a unit measuring the transaction amount and it is different for each type of financial instrument. Please refer to the Spreads and Conditions section on the Company's website for the value of each lot for a given financial instrument type. The Company reserves the right to decline an Order as explained in the terms and conditions entered with the Client. The Company makes every effort to fill the Order of the Client irrespective of the volume. However, if this is achieved, it may be at a best available price, different from declared price, as the market liquidity may allow at the time of execution. (See above, Speed and Likelihood of Execution).

### **2. 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 sufficient 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. 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.

### **3. EXECUTION VENUES**

Execution venues are the entities with which the Client's orders are placed. The Company acts as principal for the execution of the Clients' orders.

The Client acknowledges that the transactions entered with the Company in all financial instruments allowed (please see **Paragraph 3**) are undertaken through the electronic trading platform(s) of the Company. The Orders will be executed on an '*over the counter*' basis rather than on a regulated market or a Multilateral

Trading Facility. Such Orders are automatically routed to an execution venue which the Company has assessed to be the best execution. The Company places a significant importance when executing Client's Orders and strives to offer high speed of execution within the limitations of technology and communication links.

The Company regularly assesses the execution venues available in respect of any products that the Company provides to its Clients to identify those that will enable the Company, on a consistent basis, to obtain the best possible result to their Clients.

Where there is more than one available execution venue for the execution of an order, the commissions and costs of the Company on each of the eligible execution venues shall be taken into account when assessing and comparing the results for the Client that would be achieved by executing the order.

The Company will take sufficient measures to ensure that it will not be receiving any remuneration, discount or non-monetary benefit for routing Client orders to a particular trading venue or execution venue, without the consideration of the above factors, which might potentially infringe the requirements in relation to best execution, conflicts of interest or inducements.

The Company places significant reliance to the above execution venue based on the above mentioned factors and their relevant importance. It is the Company's policy to maintain such internal procedures and principles in Order to act for the best interest of its Clients and provide them the best possible result (or '*best execution*') when dealing with them.

The Client acknowledges that the transactions entered in financial instruments with the Company are not undertaken on a recognized exchange, rather they are undertaken through the Company's electronic trading platform and, accordingly, they may expose the Client to greater risks than regulated exchange transactions. Therefore, the Company may not execute an Order, or it may change the opening (closing) price of an Order in case of any technical failure of the Company's electronic trading platform or quote feeds.

While the Company strives to execute all orders placed by its Clients, it reserves the right to decline an order of any type or execute the order at the first available market price. In case of technical failure of the trading platform or quote feeds, the Company may change the opening/closing price of an order.

Under certain market conditions such as a fast moving market or low liquidity, the Company reserves the right to modify the spread of the transactions. In certain circumstances such as unusual market conditions, fundamental market announcements (news) or the size and nature of the Client's order, it may be wholly or partly manually priced, and then have an impact on the price at which the order is executed.

It should be noted that the price at which a trade is executed may vary significantly from the original requested price during abnormal market conditions. This may occur, for example, in the following cases:

- (1) During Market opening.
- (2) During news times.
- (3) During volatile markets where prices may move significantly away from the declared price.
- (4) Where there is rapid price movement - 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.
- (5) If there is insufficient liquidity for the execution of the specific volume at the declared price.

Clients are required to close open positions in regard to any given financial instrument during the operating hours of the Company's electronic trading platform.

The operating hours of the Company's electronic trading platform are as follows:

- **Working periods:** round – the – clock from 00.00.01 A.M. Cyprus Time (GMT +2) Monday through 00.00.00 P.M. Cyprus Time (GMT +2) Friday.

- **Non-working periods:** from 00.00.01 A.M. Cyprus Time (GMT +2) Saturday through 00.00.00 P.M. Cyprus Time (GMT +2) Sunday.
- **Holidays:** Holidays will be announced through the internal mail or other meaning of communication.

#### **4. EXECUTION CRITERIA**

The Company will determine the relative importance of the above factors, as these are defined in Part VI, Paragraph 23, Directive DI144-2007-02 of 2012, by using its commercial judgment and experience in the light of the information available on the market and taking into account the criteria described below:

- 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 financial instruments that are the subject of that Order;
- d. the characteristics of the execution venues to which that Order can be directed.

Where the Company executes an order on behalf of a Retail Client, the best possible result will be determined in terms of the “total consideration”. Total consideration represents the following:

- Price of the financial instrument; and
- Costs relating to execution, which shall include all expenses incurred by the Client which are directly relating 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.

In certain cases, the Company may give precedence to the other factors (such as, speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs) over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the Retail Client.

#### **5. OTHER RELEVANT FACTORS**

The Company will take all sufficient steps to obtain the best possible result for its Clients but during times of high demand execution may cause delays in processing an order which in turn can have an impact on the price and speed at which the order is executed. Furthermore, in the case of any communication or technical failure, as well as any incorrect reflection on the quotes feed, the Company reserves the right not to execute an order or change the opening and/or closing price of a particular order.

The Company considers, but without the list being exhaustive, as relevant factors that might affect the execution of Clients orders, fundamental announcements and unusual market conditions such as low liquidity or/and high volatility.

The Company does not consider the above-mentioned factors to be exhaustive and the order in which the above factors are presented do not reflect any prioritization. However, in some cases, Retail Clients will be prioritised on the basis of total consideration, in other cases, the Company should make a determination of the relevant priorities for the various execution factors.

#### **6. SPECIFIC INSTRUCTIONS**

Where the Client provides the Company with a specific instruction in relation to the entire order, or any particular aspect of the order, the Company’s obligation to provide best execution/best interest will be considered to be discharged by virtue of the fact it is following the Client’s specific instruction. In compliance with ESMA’s technical guidance, our Company will not induce Clients to give the instruction to execute on order in a particular way, by expressly indicating or implicitly suggesting the content of the instruction to the

Client, in cases where we are reasonably expected to know that an instruction to that effect is likely to prevent it from obtaining the best possible result for that Client.

**It is highlighted that by following Clients' specific instruction, the Company may be prevented from taking the steps designed and implemented as described in this Policy to obtain the best possible result for the execution or transmission of the order in respect of the elements covered by those instructions.**

## 7. IMPORTANT INFORMATION

**Specific Leverage Limits are applying for Retail Clients. These new rules are designed to offer further protection to retail traders.**

In line with the European Securities and Markets Authority's ('ESMA') temporary intervention measures (together, the 'ESMA Measures') - which lapsed for the final time in August 2019 - CySEC has permanently introduced ESMA Measures into national law pursuant to Article 42 of Regulation (EU) No 600/2014, or MiFIR.

**16.1. Leverage Limits** when you open a position which will vary according to the volatility of the underlying asset:

- a. 3,33% of the notional value of the CFD when the underlying currency pair is composed of any two of the following currencies: US Dollar, Euro, Japanese Yen, Pound Sterling, Canadian Dollar or Swiss Franc; (30:1 for major currency pairs);
- b. 5% of the notional value of the CFD when the underlying index, currency pair or commodity is: (20:1 for non-major currency pairs, gold and major indices):
  - i. any of the following equity indices: Financial Times Stock Exchange 100 (FTSE 100); Cotation Assistee en Continu 40 (CAC 40); Deutsche Bourse AG German Stock Index 30 (DAX30); Dow Jones Industrial Average (DJIA); Standard & Poors 500 (S&P 500); NASDAQ Composite Index;
  - ii. a currency Pair composed of at least one currency that is not listed in point (a) above;
  - iii. or Gold;
- c. 10% of the notional value of the CFD when the underlying commodity or equity index is a commodity or any equity index other than those listed in point (b) above; (10:1 for commodities other than Gold and non-major equity indices);
- d. 50% of the notional value of the CFD when the underlying is a cryptocurrency (2:1 for cryptocurrencies) or;
- e. 20% of the notional value of the CFD when the underlying is: (5:1 for individual equities and other reference values)
  - i. a share;
  - ii. or not otherwise listed above.

**16.2. Margin close out rule:** Your open CFD's positions will automatically be closed out if the margin reaches 50% of its initial value (margin close-out rule per account basis at 50% of the total initial margin protection). The value of your account shall not fall lower than 50% of the total initial margin protection that was paid to enter into all currently open CFDs at any point in time.

In the event you have set up a Stop Loss that will be exceeding the maximum loss allowed under the Margin close-out rule, the trade will be closed accordingly to the Margin close-out rule.

For example, if you invest 500 USD and set a Stop Loss option at 300 USD, the position will be closed at 250 USD due to the ESMA Regulation;

**16.3. Negative Balance Protection:** This will provide you an overall guaranteed limit for CFDs losses. This ensures to you that your maximum losses from trading CFDs including all related costs, are limited to the total funds related to trading CFDs that are your funds in your CFD trading account. **In the event that a position closed**

at such price causing the Equity Balance of your trading account to fall below zero, the Company's liquidity provider shall waive its rights to receive the balance from the Company and to receive the balance from you.

**16.4. Restriction on the incentives that you offered to trade CFDs:** The Company does not offer any bonuses or other trading benefits; and

**16.5. Standardized risk warning:** The Company replaced its existing risk warning with the standardized risk warnings required by the ESMA's Product Intervention Measures.

CFDs are not eligible for sale in certain jurisdictions or countries. The Policy is not directed to any jurisdiction or country where its publication, availability or distribution would be contrary to local laws or regulations, including the United States of America. The Policy does not constitute an offer, invitation or solicitation to buy or sell CFDs. It may not be reproduced or disclosed (in whole or in part) to any other person without prior written permission. The Policy is not intended to constitute the sole basis for the evaluation of the Client's decision to trade in Contracts for Difference (CFDs).

## 8. PUBLIC REPORTING OBLIGATIONS

**RTS28** Directive 2014/65/EU in financial instruments (MiFID II) requires investment firms who execute client orders to 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 executed client orders in the preceding year and information on the quality of execution obtained.

**RTS27** requires execution venues, market makers and systemic internalisers to publish reports with their transaction data, including price, cost, speed of execution and settlement, size and the nature of orders. These reports must be published on a quarterly basis and include data for each trading day, in a machine-readable electronic format.

The Company's Execution Quality Summary Statement ("EQSS") RTS28 and RTS27 can be found on the Company's [website](#), and are available for downloading by the public.

## 9. CLIENT'S PRIOR CONSENT

When establishing a business relation with the Client for our investment services (subject to MiFID II), the Company is required to obtain the Client's prior consent to this Policy. The Company may obtain the above consents in the form of a general agreement. There may be occasions when achieving the best possible result in carrying out a Client order will require executing the order outside Trading Venues. Clients consent to us acting under discretion in such circumstances by providing express consent in the form of a general agreement. This only applies to Client orders in financial instruments admitted to trading on a Trading Venue. The Company may obtain the above consents in the form of a general agreement.

The Company reserves the right to review and/or amend its Policy and arrangements, at its sole discretion, whenever it deems fit or appropriate.

Our Order Execution Policy is part of our General Terms and Conditions, which is a contractually binding agreement between the Company and its Clients, and is incorporated therein by reference. It shall be applicable to all transactions among the Company and its Clients, to the extent that it does not impose and/or does not seek to impose any obligations on us which we would not otherwise have, but for the Cyprus Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017).

## 10. MONITORING AND REVIEW

The Company's senior management and Compliance function will, on a regular basis, review the Policy and the effectiveness of the arrangements established, in an effort to identify, and where appropriate, correct any

deficiencies.

The Company will review the Policy and its arrangements at least annually, and whenever a material change occurs that affects the Company's ability to obtain the best possible result for its Clients on a consistent basis.

The Company will ensure that provides best execution and act in the best interest of its Clients on an ongoing basis, by monitoring the performance of its execution venues (upper brokers) when executing, placing, and/or transmitting Client orders. The Clients with whom the Company has an ongoing relationship, will be notified of any material changes or amendments to the Policy or order execution and transmission arrangements, which may be made from time to time.

The latest version of the Policy will also be available on the Company's website.

## **11. REQUEST FOR ADDITIONAL INFORMATION**

Upon request from Clients, the Company will be able to demonstrate to Clients, that their orders were executed in accordance with the provisions set out in this Policy.

In addition, upon reasonable and proportionate request from Clients, the Company will provide additional information about its policies or arrangements and how they are reviewed by the Company. Furthermore, upon reasonable request from a Client, the Company will provide its Clients or potential Clients with information about entities where the orders are transmitted or placed for execution. The Company undertakes, where appropriate, to answer as clear as possible and within a reasonable time.

## **12. FAQ**

Questions regarding the Policy should be addressed, in the first instance, to the Customer Support Department. Customer Support e-mail: [support@priorcapital.eu](mailto:support@priorcapital.eu)