

## **ORDER EXECUTION POLICY**

**This policy is effective from 3 January 2018 and shall remain effective until a more recent version is released.**

**The prevailing version of the policy is always available at [www.portexmarkets.com](http://www.portexmarkets.com)**

### **1. INTRODUCTION**

1.1 Portex Markets UK is an Appointed Representative of C B Financial Services Ltd. C B Financial Services provides the trading facilities and all references in this Policy to “we”, “us” or “our” refers to C B Financial Services Ltd.

1.2 We are committed to treating our customers fairly and when executing orders on your behalf in relation to financial instruments, will take all sufficient steps to achieve what is called “best execution” of your orders. This means that we will have in place a policy and procedures which are designed to obtain the best possible execution result, subject to and taking into account the nature of your order(s) and the market(s) in question and which provides, in our view, the best balance across a range of sometimes conflicting factors.

1.3 Our commitment to provide you with “best execution” does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.

1.4 This policy explains how your orders and trades are managed and executed and the factors that can affect that execution.

1.5 We currently offer trading accounts on the MT4 platform only.

1.6 By trading with us you consent to your orders being executed as described herein.

### **2. SUMMARY OF IMPORTANT POINTS**

2.1 We provide products and services to you that are off-exchange transactions (‘OTC contracts’) and deal with you as principal. We are the sole execution venue which means we act as market maker and you are not dealing with the underlying exchange. This also means that trades are non-transferable and if you open a position with us you must close it with us.

2.2 Your orders are executed on the MT4 trading platform exclusively, and not on any exchange or other external execution venue.

2.3 For some markets, we seek to manage our risk and undertake transactions on a matched principal basis which means we enter into a back-to back trade with a third party.

2.4 Placing an order on our platform does not guarantee that a trade will be entered into.

2.5 In times of volatile markets, the price that a trade is executed at may be less favourable to you than the one shown on our platform at the time you placed your order.

2.6 In certain circumstances, any specific instructions from you may prevent us from taking the steps that we have designed and implemented in our execution policy to obtain the best possible result for the execution of those orders, in respect of the elements covered by those instructions.

2.7 Best execution is assessed on the basis of ‘total consideration’ which is defined as the sum of the price and the costs incurred by you. It represents the price of the financial instrument and the costs relating to execution. Where relevant, the costs to you are in the form of spread mark ups and details of the spreads applied to your account will be provided to you in advance of your trading.

2.8 Our policy is also based on offering the best possible outcome for you based upon the following other criteria: Currency conversion rates, Speed of execution, Likelihood of execution and size of order

### **3. PRICE**

**(This is assigned the highest degree of importance)**

3.1 In order to achieve best execution we ensure that the calculation of the prices used to execute your trades will be fair, based on the prevailing market prices of the relevant underlying instrument from a number of sources.

3.2 We will always quote two prices, the higher price (Ask) at which you can buy (‘go long’) the instrument and the lower price (Bid) at which you can sell (‘go short’). They are generated electronically and may be adjusted to take into account factors such as liquidity, dividend amounts (see “Corporate Actions” below), financing charges (see “Interest” below) or other relevant factors.

3.3 Importantly, the price at which you place your order may differ to the price your trade is executed at if there is a price fluctuation between the time you place your order and the time we receive and process it. This is commonly known as ‘slippage’ or ‘gapping’ and is not a result of intervention on our part but a consequence of a number of possible factors such as market open/close times, trading breaks, or general volatility in the underlying market. The outcome of these movements can be either positive or negative, depending on your type of order:

- All Stop Orders (i.e., Buys and Sells) are subject to negative slippage at all times
- Limit Orders are subject to positive slippage at all times

3.4 Portex Markets provide ‘indicative’ or ‘minimum’ spreads on their website but offer variable spreads on all products. This means that in times of illiquidity, including but not limited to, market open, market close, economic data, natural disasters and other force majeure events you may see greater fluctuations and the spreads may widen due to the underlying market conditions.

3.4 **Importantly, the minimum spread you receive differs to those published on our website as you have been introduced to us by a third party.** Please see section 5 below for more information.

3.5 Finally, there may be rare occasions where we are unable to show prices on our platform due to circumstances beyond our control. Please refer to the Terms and Conditions for more information.

### **4. Currency Conversion Rates**

**(This is assigned very high importance)**

4.1 All profit and loss calculations will be undertaken in the currency in which the relevant market is denominated and, where applicable, converted into the currency of your account. For FX pairs this is the second of the two currencies listed and for Indices this is related to the country of origin. All other markets are denominated in USD.

4.2 As with prices, the currency conversion rates are generated electronically by the platform. For Buy positions the Bid price of the currency will be used and for Sell positions the Ask price is used.

## **5. Speed of Execution** **(This is assigned very high importance)**

5.1 Your orders are dealt with automatically via a virtual dealer with no dealing desk intervention. This results in the fastest possible execution.

## **6. Cost of Execution** **(This is assigned high importance)**

6.1 We commit to being entirely transparent in relation to all costs associated with your trading:

### **6.2 Spread**

The difference between the Bid and the Ask price is the cost of the trade. In order to achieve best execution we keep this as small as possible.

### **6.3 Spread increases**

As you have been introduced to us by a third party you may receive slightly wider 'minimum' spreads than those published on our website which may be repaid to Portex Markets. Full details of this can be provided on request.

6.3 You will be advised of the minimum spreads applied to your account in advance of your trading.

### **6.4 Commission**

We do not charge commission. In the event you have been introduced to us by a third party we may charge you a commission that is repaid in full to the Introducing Broker or Agent. Full details of this can be provided on request.

6.5 You will be advised of all commission charges applied to your account in advance of your trading.

### **6.6 Interest**

Open positions held in FX or indices and held overnight may incur financing fees which will be debited or credited (as applicable) to your account at the close of the day. Please see the FAQs section on our website for more information and examples of how the charge is calculated.

### **6.7 Interest Free Accounts**

In certain circumstances we are able to offer 'interest free' accounts. This is subject to status and terms and conditions apply. Please contact us for more information.

### **6.8 Corporate Actions**

Dividend adjustments are made in relation to indices and are paid on net positions only. The funds will be debited or credited (as applicable) to your account at the close of business on the ex-dividend date. Please see the FAQs section on our website for more information and examples of how the dividend is calculated.

## **7. Likelihood and Size of Order (This is assigned high importance)**

7.1 We can commit that if the underlying market has sufficient liquidity and there is a price available against which we can offset your trade, we will make a market.

## **8. ORDER TYPES**

### **8.1 Market Orders**

An order placed by you to buy or sell a set number of derivatives immediately, at the best available price.

### **8.2 Limit Orders**

An order placed by you to buy (Buy Limit) or sell (Sell Limit) a set number of derivatives at a specified price or better. To remove a limit order you can either select an expiry or manually cancel it.

### **8.3 Stop Orders**

An order placed by you to buy (Buy Stop) or sell (Sell Stop) a set number of derivatives when its price reaches a particular point. Once the price is reached, it becomes a Market Order. You can also set Stop Loss or Take Profit orders at the time you place your order. Stop Orders are subject to negative slippage.

### **8.4 Trailing Stops**

An order that can only be placed when an open position has a floating profit. The order is attached to your open position and is set at a fixed distance away from the opening price. If the market moves in your favour the stop price moves as per the predefined distance from the price. If the market moves against you the stop remains at its last profitable trailing price to ensure a profit is locked in.

### **8.5 Contingent Orders**

A Limit or Stop Order that is attached to a currently 'working' Limit or Stop Order. The Contingent Order will only start 'working' once the original Stop or Limit Order has been executed.

## **9. LIQUIDATIONS**

9.1 There are some circumstances where an open position(s) on your account may be closed without instruction from you. Positions will be closed automatically when the Equity / Margin ratio of your account reaches the predetermined liquidation level. For more information about E/M ratios and the liquidation process please read our Liquidation Procedures.

## **10. POST EXECUTION INTERVENTION**

10.1 There are some circumstances when trades on your account may be manually adjusted by us. In the event there is a problem with our price feed for example and a trade has been executed on a materially incorrect price we may reverse trades and any associated profit or loss.

10.2 While we do not prohibit any particular trading approach if it is your intention to adopt a style that looks to take advantage of internet latencies, delayed prices or by targeting tick fluctuations through high volumes of transactions we suggest you notify us so we can make sure your account settings are appropriate.

## **11. MONITORING AND REVIEW OF POLICY**

- 11.1 We will regularly monitor and review the effectiveness of this policy and amend it as necessary.
  
- 11.2 We have procedures in place to record all changes to the virtual dealer settings and will monitor these. In addition, we will compare our prices to other sources and monitor our 'typical' spreads against our 'minimum' spreads.