

**SUMMARY BEST INTEREST AND ORDER
EXECUTION POLICY
SEPTEMBER 2019**

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1. Introduction

- 1.1. This Summary Best Interest and Order Execution Policy (“the Policy”) is an Appendix to the Client Agreement and is provided to you (our Client or prospective Client) in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time (“the Law”) and the Markets in Financial Instruments Directive 2014/65/EU (MiFID II”), pursuant to the which, Squared Financial (CY) Ltd. (ex. Aspide Financial Ltd and hereinafter “the **Company**” or “**We**”) is required to take all reasonable steps to act in the best interest of its Clients when executing Client Orders 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.
- 1.2. 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).
- 1.3. The Company executes Client Orders in relation to Contracts for Differences (“CFDs”) in commodities, indices, precious metals and currency pairs (FX)

2. Scope

- 2.1. This Policy applies to both Retail and Professional Clients (as defined in the Company’s Client Categorisation Policy found on the Company’s website under “[Legal](#)” section. If the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to such a Client.
- 2.2. This Policy applies when executing Client Orders for the Client for all the types of CFDs offered by the Company.

3. Best Execution Factors:

- 3.1. When executing Orders, we will take all reasonable steps to achieve/obtain the best possible outcome/result (“Best Execution”) for you, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the Order (“Best Execution Factors”), as follows:

(a) Price:

BID – ASK Spread: For any given CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy (go long) that CFD, and the lower price (BID) at which the Client can sell (go short)

that CFD. 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.

Company's Prices: The Company will quote to Clients the prices provided by the Execution Venue (see Section 7 below). The Execution Venue calculates and provides their own tradable prices for a given CFD by reference to the prices of the relevant underlying asset, which the Execution Venue obtains from third party reputable external reference sources (i.e. price feeders). The Company's prices can be found on the Company's trading platforms. The Company updates its prices as frequently as the limitations of technology and communications links allow.

The main way in which the Company will ensure that the Client receives the best price will be to ensure that the calculation of the bid/ask spread is made with reference and compared to a range of underlying price providers and data sources. The Company reviews regularly or at least once a year its Execution Venue to ensure that relevant and competitive pricing is offered.

Despite the fact that the Company takes every reasonable step to obtain the best possible result for its Clients, it does not guarantee that when executing an Order its price will be more favourable than one which might be available elsewhere.

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

If the price reaches an Order set by you such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop, then these Orders are automatically executed. However, under certain trading conditions it may be impossible to execute Orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop) at the Client's requested price. In this case, the Company has the right to execute the Order at the first available price. This may occur, for example, at times of rapid price fluctuations if the price rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or this may occur at the opening of trading sessions. The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given CFD, is specified in the Client Agreement and/or the Company's website under "[Legal](#)" section.

(b) Costs:

For opening a position in some types of CFDs the Client may be required to pay commission or financing fees, 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 amounts. More information on commissions can be found on the Company's website

Financing Fee: In the case of financing fees, the value of opened positions in some types of CFDs is increased or reduced by a daily financing fee "swap rate" throughout the life of the CFD (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 on the Company's website.

For all types of CFDs that the Company offers, the commission and financing fees are not incorporated into the Company's quoted prices and are instead charged explicitly to the Client account.

Should the Company at any period of time decide not to charge such costs, it shall not be construed as a waiver of its rights to apply them in the future, with prior notice to the Client as explained in the Client Agreement found on the Company's website. Such notice may be sent personally to the Client and/or posted on the Company's website.

(c) Speed of Execution:

The Company places a significant importance when executing Client Orders and strives to offer high speed of execution within the limitations of technology and communications links. For instance, in cases where Clients are using a wireless connection or a dial up connection or any other communication link that can cause a poor internet connection then this may cause unstable connectivity with the Company's trading platform resulting to the Client placing his Orders at a delay and hence the Orders to be executed at better or worst prevailing price offered by the Company.

(d) Likelihood of Execution:

The Company arranges for the execution of Client Orders with third party(ies) (i.e. Execution Venue); hence, execution may sometimes be difficult. The likelihood of execution depends on the availability of prices of the Execution Venue(s). In some cases, it may not be possible to arrange an order for execution, for example, but not limited to, in the following cases: during news times, trading session start moments, volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price, a force majeure event has occurred. In the event that the Company is unable to proceed with an order with regard to price or size or other reason, the order will not be executed. In addition, the Company is entitled, at any time and at its discretion, without giving any notice or explanation to the Client, to decline or refuse to transmit or arrange for the execution of any order or request or instruction of the Client in circumstances explained in the Client Agreement found at the Company's website under "[Legal](#)" section.

Where the Company may transmit orders for execution to a third party (another Execution Venue), the likelihood of execution depends on the pricing and available liquidity of such other third party.

(e) Likelihood of settlement:

The Company shall proceed to a settlement of all transactions upon execution of such transactions. The Financial Instruments of CFDs offered by the Company do not involve the physical delivery of the underlying asset, so they are not settled physically as there would be for example if the Client had bought shares. All CFDs are cash settled.

(f) Size of Order:

All Orders are placed in monetary values. The Client will be able to place Order(s) as long as he has enough balance in his trading account.

If you wish to execute a large size Order (above average order size), in some cases the price may become less favorable. The Company reserves the right to decline an Order in case the size of the Order is large and cannot be filled by the Company or for any other reason as explained in the Client Agreement found at the Company's website under "[Legal](#)" section.

(g) Market Impact:

Some factors may rapidly affect the price of the underlying instruments/products from which the Company's quoted price is derived and may also affect other factors listed herein. The Company will take all reasonable 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.

3.2. Types of Order(s) in Trading in CFDs:

The particular characterizing 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 CFD as promptly as possible at the prevailing market price. Execution of this Order results in opening a trade position. CFDs are bought at ASK price and sold at BID price. Stop Loss and Take Profit Orders can be attached to a Market Order. Market Orders are offered for all type of accounts.

(b) Pending Order(s)

This is an Order to buy or sell a CFD in the future at the 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 CFDs.

A Pending order is an Order that allows the user to buy or sell a CFD 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. In this case, the Company has the right to execute the Order at the first available price. This may occur, for example, at times of rapid price fluctuations 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.

It is noted that Stop Loss and Take Profit may be attached to a Pending Order. Also, pending orders are good till cancel. Pending Orders are offered for all type of accounts.

(c) Take Profit

Take Profit Order is intended for gaining the profit when the CFD'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, market 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 (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).

(d) Stop Loss

Stop Loss Order is used for minimising of losses if the CFD's price has started to move in an unprofitable direction. If the CFD's price reaches this stop loss level, the whole position will be closed automatically. Such Orders are always 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).

3.3. Execution Practices in CFDs

(a) Slippage

You are warned that Slippage may occur when trading in CFDs. 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 pips 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 CFDs. 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.

Slippage may appear in all types of accounts we offer. It is noted that Slippage can occur also during Stop Loss, Take Profit and other types of Orders (see Section 3.3.1. above). We do not guarantee the execution of your Orders at the price specified. However, we confirm that your Order will be executed at the next best available price from the price you have specified under your Order.

(b) Re-quotes

In some cases, the Company may be providing a secondary quote to the Client after an Order has been submitted; the Client must agree to this re-quote before the order is executed. The Company shall provide re-quotes if the requested price of the Client is not available at the specific time of execution. The secondary price provided to the Client is the next available price received by the Company from its price feeders.

3.4. Different Types of Trading Accounts in CFDs:

The Company offers different types of Trading Account. In this respect, the initial minimum deposit, the spreads, costs, size commissions, if any etc. may differ according to each type of Trading Account. Further information regarding the different type of Trading Accounts offered can be found on the Company's website at <https://www.SquaredDirect.com/account-types/>.

4. Best Execution Criteria

4.1. When executing client orders, the Company takes into account the following criteria for determining the relative importance of the Best Execution Factors referred in paragraph 3 above:

- (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 the Financial Instruments that are the subject of that Order;
- (d) The characteristics of the Execution Venue to which that Order is directed;

4.2. The Company determines the relative importance it assigns, in accordance with the abovementioned criteria, to the Best Execution Factors by using its commercial judgment and experience in light of the information available on the market and taking into account the remarks included in paragraph 3. 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 in order to provide our Clients with competitive price quotes.
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	Even though we reserve the right to decline a Client order we aim to execute all Client Orders, to the extent possible.
Likelihood of Settlement	Medium	See relevant description in Best Execution Factors (See Section 3.2 for CFDs).
Size of Order	Medium	See relevant description in Best Execution Factors (Section 3.2 for CFDs).

Market Impact	Medium	See relevant description in Best Execution Factors (Section 3.2 for CFDs).
Nature of Order	Medium	See relevant description in Best Execution Factors

4.3. Where the Company executes an order on behalf of a Retail Client, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the Client which are directly related to the execution of the Order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the Order.

4.4. For the purposes of delivering best execution where there is more than one competing Execution Venue 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 venue (see Paragraph 7 below) that is capable of executing that Order, the Company's own commissions and costs for executing the order on each of the eligible execution venue 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.

5. Client's Specific Instruction

5.1. Whenever there is a specific instruction from or on behalf of a Client (e.g. fills in the required parts on the Company's trading platform when placing an Order), relating to the Order 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.

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 reasonable steps to obtain the best possible result for the Client.

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

6. Execution on Client Orders

6.1. 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, or the interests of the Client require otherwise;
- (c) informs a Retail Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

7. Execution Venues

- 7.1. Execution Venues are the entities with which the orders are placed and executed.
- 7.2. 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 third party Financial Institution(s) as Execution Venue.
- 7.3. The Company evaluates and selects the Execution Venue based on a number of criteria including but not limited to the regulatory status of the institution, the ability to deal with large volume of Orders, the speed of execution, the competitiveness of commission rates and spreads.
- 7.4. 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.
- 7.5. The Execution Venue may be changed at the Company's discretion by giving at least one (1) business day prior notice to the Clients on the Website.
- 7.6. The Client acknowledges that the transactions entered in Financial Instruments with the Company are not undertaken on a recognized exchange/regulated market, rather they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions/Orders.
- 7.7. The Company's current Execution Venues are as follows:
 - (a) LMAX Broker Limited
 - (b) MeritKapital
 - (c) Invest Financial Services Pty Ltd
 - (d) Forex Capital Markets Limited ('FXCM')
 - (e) Cyprus Investment and Securities Corporation Limited ('CISCO')

(f) Squared Financial (CY) Limited ('SquaredDirect')

(g) SM Capital Markets Ltd

7.8. The classes of financial instruments offered by each Execution Venue are as follows:

Liquidity Providers	CFDs on Precious Metals	CFDs on FX	CFDs on Commodities	CFDs on Indices
MeritKapital	X	X	X	X
Cyprus Investment and Securities Corporation Limited ('CISCO')	X	X	X	X
LMAX Broker Limited	X	X	X	X
Invast Financial Services Pty Ltd	X	X	X	X
SM Capital Markets Ltd	X	X	X	X
Forex Capital Markets Limited ('FXCM')	X	X	X	X
Squared Financial (CY) Ltd ('SquaredDirect')	X	X	X	X

8. MiFID II/MiFIR Reporting Obligations

8.1. Under MiFIR Regulation Regulation Article 26(1)-(8), the Company, as a CySEC regulated investment firm, shall report complete and accurate details of executed transactions in financial instrument to the competent authorities, no later than the close of the following working day.

8.2. The reportable financial instruments are all instruments traded on European venues, including non-EU derivative instruments that relate to an EU security or index.

8.3. The reports shall include, among other, details of the names and numbers of the financial instruments bought or sold, the quantity, the dates and times of execution, the transaction prices and a designation to identify the Clients on whose behalf the Company has executed that transactions.

9. Client's Consent

9.1. 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 the Company's website under "[Legal](#)" section).

10. Amendment of the Policy and Additional Information

10.1. 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 under "[Legal](#)" section, for the most up to date version of the Policy.

10.2. Examples of a Material Change would include but are not limited to: (i) a change to the Company's model; (ii) the introduction of a new product range; (iii) the implementation of a new trading platform.

10.3. Should you require any further information and/or have any questions about this policy please direct your request and/or questions to support@SquaredDirect.com.