



EXECUTION QUALITY SUMMARY STATEMENT 2019

EXECUTION QUALITY SUMMARY STATEMENT ("EQSS")

Introduction

Notesco UK Limited (the “Company”), whose registered office is at Broadgate Tower, 20 Primrose Street, London – EC2A 2EW, United Kingdom is authorised and regulated by Financial Conduct Authority with License number 585561.

Scope of EQSS

The Company is required to provide a summary of the analysis and assessment done, during 2019, following the monitoring of the quality of execution of orders via the Company’s execution venues. This EQSS Statement Policy has been prepared pursuant to the European Market in Financial Instruments Directive (MiFID II) and the Commission Delegated Regulation 2017/576 (RTS28) and sets out a general overview on how the Company obtained the best possible result when executing Clients’ orders by taking into account the criteria and factors stated below during 2019.

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.

Relative importance of execution factors during the year under review

The Company is required to take all sufficient steps to obtain, when executing orders, the best possible result for the Company’s clients and has in this respect applied the following relative importance of execution factors:

a. Price

Price is the most important factor for the Company when considering best execution. The Company’s dealing personnel is responsible to ensure that the price, data feeds, and price generation process in general is properly monitored and assessed in real time, where appropriate, as well as on a constant basis. The Company has in place a proprietary price aggregator that filters the best price obtained from liquidity/price providers so as to ensure the best possible price is offered to the clients.

b. Cost

Cost is an important factor when executing Clients’ orders. A clear breakdown of the costs and charges incurred is publicly available on the Company’s website and other relevant documents listed on the company’s website with information about spread, commission currency conversion, which are considered as one-off entry or exit costs and swap (financing cost) which is considered as ongoing cost. Due to the importance of the impact of costs on trade execution, the Company attempts to obtain the most competitive available prices and review existing arrangements.

c. Speed of Execution

When executing Client's orders, the Company understands the importance to execute orders with urgency and aims to maximise automatic executions while minimising any manual intervention. The Company hosts various servers in key geolocations in an attempt to offer the highest speed of execution to its Clients. The vast majority of the Clients' orders are executed automatically by the Company's trading system without any human intervention in an attempt to offer the highest speed of execution. If there is any failure of hardware and/or software (e.g. internet connectivity issues, server downtimes, etc.), this may result that Client's order is either not executed in accordance with his expectations or it is not executed at all. The Company does not accept any liability in case of such a failure.

d. Likelihood of Execution

The Company seeks to provide its clients with the fastest execution reasonably possible. During volatile market conditions, on opening gaps (when trading session starts) or on possible gaps where the underlying instrument has been suspended or restricted on a particular market, the Company strives to provide the best possible price to its clients and makes every effort and has all necessary arrangements in place to do so, but it cannot guarantee the execution of any of the pending orders at the requested price.

e. Likelihood of Settlement

The Company proceeds with the settlement of a Client's transaction in cash due to the nature of the financial instruments offered by the Company (i.e. Contract for Difference) subject to the successful execution of the respective transaction.

f. Size of Order

The minimum size of an order is determined based on the financial instrument and are placed in lot sizes. The Company is monitoring orders that are large and cannot be filled by the Company as well as considering the liquidity in the market.

g. Market Impact

As stated above, the Company takes at all times all sufficient steps to ensure the best possible result for its clients considering that the Company's quoted prices which are derived from liquidity providers may be affected by various factors.

For orders that are not wholly covered by your specific instructions, the best possible result is assessed - when executing Client orders against the Company's quoted prices - by taking into consideration the abovementioned execution factors and their relevant importance.

Description of any close links, conflicts of interests and common ownerships with respect to execution venues used to execute orders

The Company enters into all transactions with the client as principal (counterparty) and acts as the sole execution venue for all client orders. The client is required to open and close a position of any particular financial instrument with the Company via its trading platform. The Company maintains a conflicts of interest policy where it states the measures taken by the Company in managing any conflicts of interest that might arise from potential types of conflicts of interest. For more information on the conflict of interest, visit the Company's website at <https://www.ironfx.co.uk/en/download-center/legal-documentation>.

Furthermore, the Company engaged various liquidity providers and execution venues and with these entities do not have any close link, common ownership or known conflicts of interest and/or have in place any specific payment arrangements with such third party providers.

Prior the selection of an execution venue, the Company had considered both qualitative and quantitative criteria. In particular, the pricing and the costs in relation to the execution of the Client's orders and the overall impact to the Client is one of the main factors for the selection of an execution venue. Other factors have also been taken into consideration, for instance, the speed of processing and likelihood of execution as well as the financial soundness and order execution policy of such venue. Additionally, the Company assess and monitors regularly its execution venues by assessing various execution parameters such as:

- a. Price quality of execution
- b. Cost of execution
- c. Speed of execution
- d. Trading limits
- e. Connectivity to the Company's systems
- f. Counterparty credit quality
- g. Product offering

Specific arrangements with execution venues

The Company does not have any specific arrangements with any execution venues that is using regarding payments made or received, discounts rebates or non-monetary benefits and does not engage in any payment for order flow.

Order Execution according to Client Categorisation

During 2019, the Company has treated all Clients, in terms of best execution arrangements, with the same manner and as per applicable regulatory framework irrespective of Client categorization. That being said, the Company has determined the best possible result in terms of the total consideration, represented by the price of the contract and the cost related to execution as the main execution factors both to Retail and Professional Clients.

Other criteria that were given precedence over immediate price and cost when executing retail client orders

As indicated in the Company's order execution policy when the client gives a specific instruction on an order, the Company will execute the order following such instruction and this may prevent the Company from implementing the best possible result for its Clients in accordance with the relative importance of the execution factors. In such circumstances, the Company executes the order in accordance with that specific instruction.

Nevertheless, if the client provides a specific instruction as to the execution of to carry out an order, then by executing that order the Company will be complying with its duty to provide the client with best execution.

Data or tools used relating to the quality of execution

The Company monitors the effectiveness of the quality of execution and relevant order execution arrangements in order to identify and implement any appropriate enhancements.

The monitoring is performed in various levels as described below:

a. Constant daily monitoring

This is done by the Company's dealing department and where any anomalies are identified (i.e. price spikes) are corrected on spot. Furthermore, the Company uses number of software programs to identify anomalies (i.e. trading system's and trading servers connectivity, price feed disconnections) which are monitored by the dealing department and where applicable are corrected.

b. Best execution monitoring

The Company performs on frequent basis a best execution monitoring program to oversee the quality of execution. Some of the execution quality metrics used are the below:

- Order re-quotes
- Price comparisons
- Negative and positive slippage
- Speed of execution
- Liquidity provider's analysis and review

Usage of output of a consolidated tape provider

The Company has not used any output of consolidated tape provider established under Article 65 of Directive 2014/65/EU in 2019.

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