

## **SUMMARY BEST INTEREST AND ORDER EXECUTION POLICY**

### **1. Introduction**

1.1. This Summary Best Interest and Order Execution Policy (“**the Policy**”) 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 144(I)/2007, as subsequently amended from time to time (“**the Law**”). Pursuant to the Law, Lydia Financial Ltd (“**the Company**”, “**we**”) is required to take all sufficient 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.

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).

The Company executes Client Orders in relation to Contracts for Differences (“CFDs”) in stocks, commodities, equity indices, metals, forwards, futures and currency pairs (FX). CFDs are also referred to as Financial Instruments in this Policy.

### **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 at [www.forex24.com](http://www.forex24.com)). 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.

2.3. The policy is subject to our CLIENT AGREEMENT or any other agreement which governs, from time to time, the relationship between the Client and the Company.

### **3. Best Execution Factors**

3.1 Lydia Financial places reliance on recognised external liquidity /feeder price providers when deriving its prices. Lydia Financial applies symmetrical and consistent mark-ups to raw spreads to ensure our average spreads are highly competitive within the marketplace. Continuous price presentation of the flow of the bid/ask prices in addition to high liquidity complements our prices ensuring our client’s trades are executed at the best available prices.

3.2. When executing Orders, we will take all sufficient steps to achieve/obtain the best possible outcome/result (“**Best Execution**”) for the client, 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 price. The difference between the lower and the higher price of a given CFD is the spread.

Long positions will be closed at the BID price (whether the transactions are closed manually by the Client or through the Stop Loss or Take Profit). 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 external reference sources.

Company's Prices: The Company's prices are quoted with reference to the prices of the Execution Venue (see Section 7 below) and the applicable spreads and commissions. Please refer to Company's website at [www.forex24.com](http://www.forex24.com) for further information. The Execution Venue calculates and provide its own tradable prices for any 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, regulated markets, etc.). 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 sufficient 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 and Stop Loss/Take profit for opened short positions 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.

**If the price reaches an order such as:** Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop, these orders are instantly executed when triggered. However, under certain trading conditions it may be impossible to execute such Orders at the Client's requested 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. In this case, the Company will execute the order at the first available price. The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, if any, for a given CFD, is specified in the Company's website at [www.forex24.com](http://www.forex24.com)

#### **(b) Costs:**

For opening a position in some types of CFDs the Client may be required to pay commission and/or financing fees, the amount of which is disclosed on the Company's website at [www.forex24.com](http://www.forex24.com).

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 at [www.forex24.com](http://www.forex24.com).

**Mark-Up:** The prices on which clients are trading include a mark-up, this means that the spreads on offer by the Firm comprise of the raw spreads received from liquidity or price provider and any mark up, where applicable.

**Financing Fee (Overnight fee):** In the case of financing fees, the value of opened positions in some types of CFDs is increased or reduced by a financing fee “swap rate” throughout the life of the CFD (i.e. until the position is closed). Financing fees are based on prevailing interest rates, which may vary over time. Details of financing fees applied are available on the Company’s website at [www.forex24.com](http://www.forex24.com).

For all types of CFDs that the Company offers, the commission, if applicable, and financing fees are not incorporated into the Company’s quoted price and are instead charged separately to the trading account.

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

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 at [www.forex24.com](http://www.forex24.com). Such notice may be sent personally to the Client and/or posted on the Company’s website at [www.forex24.com](http://www.forex24.com).

**(c) Speed of Execution:**

The Company does not execute the Client Order in CFDs as a principal to principal against the Client, i.e. the Company is not the Execution Venue (as defined in Commission Directive 2006/73/EC implementing MiFID) for the execution of the Client’s Order. The Company arranges for the execution of Client Orders with the Execution Venue. 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. 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 a third-party Execution Venue; hence, execution may sometimes be difficult. The likelihood of execution depends on the availability of prices of the Execution Venue. In some cases, it may not be possible to arrange an Order for execution, for example but not limited in the following cases: during news times, trading session start moments, during volatility in underlying reference 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 [www.forex24.com](http://www.forex24.com).

**(e) Likelihood of settlement:**

The Company shall proceed to a settlement of all transactions upon execution of such transactions. The 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 lot sizes. A lot is a unit measuring the transaction amount and it is different for each type of CFD.

The minimum size of an order is different for each type of Trading Account. Please refer to the Company's website at [www.forex24.com](http://www.forex24.com) for the value of minimum size of an Order and each lot for a given CFD type. Also, please refer to the Company's website at [www.forex24.com](http://www.forex24.com) for the value of the maximum volume of the single transaction.

If the Client wishes to execute a large size Order, in some cases the price may become less favourable. The Company makes every effort to fill the Order of the client but 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 [www.forex24.com](http://www.forex24.com).

**(g) Market Impact:**

Some factors may affect rapidly the price of the underlying financial instruments from which the quoted Company price for financial instruments is derived. These factors may influence some of the factors listed above, under Section 3. 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, or according to the best available price without avoiding taking consideration the Best Execution obligations of the company. The Company will determine the relative importance of the above factors 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; For retail Clients, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instruments 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.

*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.*

### 3.3. Types of Order(s) in Trading CFDs

The particular characterising of an Order may affect the execution of the Client's Order. Please see below the different types of Orders that a Client can place:

#### **(a) Market Execution Order(s)**

A Market Order is an order to buy or sell a CFD as promptly as possible at the prevailing market price that is available. 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. Once the "market order" is triggered it shall be subject to the conditions described in the "Good 'till Cancelled" and "Good 'till Day" below.

More information can be found on the Company's website at [www.forex24.com](http://www.forex24.com).

#### **(b) Instant Execution Order(s)**

An Instant Order is an Order to buy or sell a CFD to the most recently available price. In Instant Execution if the requested price is not available, the current available price will be sent to the Client to confirm execution (re-quote). Instant Orders are offered for all type of CFDs Trading Accounts.

#### **(c) Pending Order(s)**

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 (see section 3.2. (a) above). In this case, the Company will execute the order at the next best 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. This is an Order to buy or sell a CFD in the future at the next 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.

Buy Stop: This is an Order to buy at a specified price ('the stop price') that is higher than the current market price. Once the market reaches the 'stop price', the 'stop order' is triggered and treated as a market Order.

Sell Stop: This is an Order to sell at a specified price ('the stop price') that is lower than the current market price. Once the market reaches the 'stop price', the 'stop order' is triggered and treated as a market Order.

Buy Limit: This is an order to buy at a specified price ('the limit price') that is lower than the current market price. Once the market reaches the 'limit price' the order is triggered and executed at the 'limit price' or better. The 'limit order' is treated as a market Order. 'Limit orders' can be placed as close to the current market price as possible; there is no restriction.

Sell Limit: This is an order to sell at a specified price ('the limit price') that is higher than the current

market price. Once the market reaches the 'limit price' the order is triggered and executed at the 'limit price' or better. The 'limit order' is treated as a market Order. 'Limit orders' can be placed as close to the current market price as possible; there is no restriction.

**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 position 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 (the 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). Take Profit Orders can be modified and can be cancelled.

**Stop Loss:** Stop Loss Order is used for minimising of losses if the CFD's price has started to move in an unprofitable direction (opposite direction of the expected one). If the CFD's price reaches this stop loss level, the whole position will be closed automatically. Such Orders can be 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). Stop Loss orders can be modified and can be cancelled.

**Good till Date (GTD):** Good till Date is a time setting that applies to pending orders traded through Meta trader 4. The Client may choose a specific date in the future until which the order will remain LIVE and pending execution, if the order is not triggered during this predetermined timeframe is shall be deleted from the System.

**Good till Cancel (GTC):** Good till Cancel is an execution setting that the Client may apply to pending orders. The order may remain LIVE and pending execution until such time as the order is triggered and treated as a market order or cancelled by the Client.

\*Please Note the GTC may become redundant in cases where a CFD on future reaches its maturity/expiry date.

### **Pending Order Modifications/Cancellations**

The Client may modify/cancel a pending order if the market did not reach the level of the price specified by the client. The client accepts that once a pending order is triggered, the client may not modify such an order.

It should be noted that the status of an order is available, at all times, through the trading platform. If the client is unable to access the trading platform he/she can be notified of the status of an order by contacting the Brokerage Department by telephone.

A pending order that is not triggered, at the closure of a specific trading session, will remain valid and will be executed accordingly in the future unless the Client deletes that order before it is triggered.

The client accepts that pending orders are triggered at the declared price on the first current price touch but filled as per the specific order type. Limit order may be filled at declared or better price whereas stop orders may be filled declared, better or worse price.

More information can be found on the Company's website at [www.forex24.com](http://www.forex24.com)

### 3.3. Execution Practices in CFDs

#### (a) **Slippage**

You are warned that Slippage may occur when trading in Financial Instruments. 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 financial instruments. Slippage more often occurs during periods of illiquidity or higher volatility (for example due to news announcements, economic events and underlying reference 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. 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-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. The Company will requote 'instant orders' if the requested price originally specified by the client is not available. The secondary quote provided to the client is the next best available price received by the Company from its Execution Venue. The Company does not re-quote 'pending orders' or 'market orders'. Re-quotes apply to all types of Accounts.

### 3.4. Types of Trading Accounts in CFDs:

The Company may offer different types of Trading Accounts in CFDs from time to time. 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 types of Trading Accounts offered can be found on the Company's website at [www.forex24.com](http://www.forex24.com) or by contacting support at [support@forex24.com](mailto:support@forex24.com).

## 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.

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 (i.e. Execution Venues) 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 for CFDs).
Size of Order	Medium	See relevant description in Best Execution Factors (Section 3 for CFDs).
Market Impact	Medium	See relevant description in Best Execution Factors (Section 3 for CFDs).
Nature of Order	Medium	See relevant description in Best Execution Factors (Section 3 for CFDs).

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.

For the purposes of delivering best execution where there is more than one competing Execution Venues 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 venues (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 venues 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 sufficient 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 underlying reference 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 Venue**

7.1. Execution Venue is the entity or entities with which the Orders in Financial Instruments are placed and executed. 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 a third party Financial Institution as Execution Venue. The Executions Venues currently used by the Company are **Forex Capital Markets Limited (FXCM)** and **Broctagon Prime Ltd.**

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, the reputation of the respective institution, the ease of doing business, the financial status of the institution.

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.

The Execution Venue may be changed at the Company's discretion as per the terms of the Client Agreement.

7.2. 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.

## **8. Client's Consent**

8.1. 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 [www.forex24.com](http://www.forex24.com)).

## **9. Amendment of the Policy and Additional Information**

9.1. 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 at [www.forex24.com](http://www.forex24.com) for the most up to date version of the Policy.

9.2. Should you require any further information and/or have any questions about this policy please direct your request and/or questions to [support@forex24.com](mailto:support@forex24.com).

## **10. Monitoring and Review**

The Company shall monitor on a regular basis the effectiveness of this Policy and, in particular, the execution quality of the procedures explained in the Policy and, where appropriate, reserves the right to correct any deficiencies.

In addition, the Company will review the Policy at least annually. A review will also be carried out whenever a material change occurs that affects the ability of the Company to continue to the best possible result for the execution of its Client orders on a consistent basis using the venues included in this Policy. The Company shall notify its Clients of any changes in its Policy by publishing any changes on the Company's main website available to all its Clients.