

Order Execution Policy

This policy should be read in conjunction with the Client Agreement to understand Citypoint Trading's execution services. If there is anything you do not understand or would like clarification of, please contact our Client Services Team.

1. INTRODUCTION

The Markets in Financial Instruments Directive (MiFID) best execution regime requires investment firms to take all reasonable steps to obtain the best possible result for their Clients taking into account **price, cost, speed, likelihood of execution and settlement, size, nature of the order and any other considerations relevant to the execution of the order**. The UK Financial Conduct Authority (FCA) introduced rules in November 2007 to meet the MiFID requirements. Under FCA rules a firm must establish effective arrangements to comply with the obligation to provide Best Execution. These arrangements must include an Order Execution Policy to include, for each class of financial instrument, the factors affecting the choice of each execution venue.

2. POLICY STATEMENT

Citypoint will act in accordance with the best interests of its Clients and take all reasonable steps to obtain the best possible result, taking into account all the execution factors

3. SCOPE

This policy applies to all retail, professional and eligible counterparty clients

4. EXECUTION VENUE

Citypoint Trading Limited (Citypoint) is an IFPRU €125k firm authorised and regulated by the FCA to hold and control client money on a matched principal basis (back-to-back trading) however we deal with our clients as a principal and not as an agent. We are therefore their only execution venue. In dealing with us you transact directly with us and not on any other exchange or other external market or venue. Any trades with us are non-transferable. If you create an open position with us you must close it with us.

5. EXECUTION FACTORS

In providing best execution we will take into account certain execution factors. We must tell you what these are and their relative importance. If you are a retail client we must determine whether we have provided you with best execution by reference to the total consideration you pay (that is the price and cost of execution) though we will also use our judgement and take into account other relevant factors (such as any instructions regarding price) with the aim of providing you with the best result.

The execution factors that we consider and their relative importance are as follows:

5.1 PRICE

The price for a given market (investment instrument) is calculated by reference to the price of the relevant underlying instrument. This price is obtained from third party external reference sources. Some instruments i.e. equities, will have a third party securities exchange from which prices are obtained. For other kinds of instruments i.e. foreign exchange, price data will be collected from nominated wholesale market participants.

The price will often differ from the price of the underlying instrument. For some markets, a spread is added to the price of the underlying instrument. When trading in the underlying instrument is very active and the price of the underlying instrument changes quickly there is no guarantee that every price movement in the underlying instrument will result in a change in the price quoted to you. All trades are executed in accordance with our business terms and conditions published on our website

5.2 EXECUTION METHODS

You may execute trades by either using our trading platform or by phoning our dealer however you may need to pass identity validation questions by the dealer in charge and your telephone call might be recorded and stored under our privacy policy

5.3 MARKET EXECUTION VS INSTANT EXECUTION

Instant Execution ensures the client makes a transaction at the price indicated in the trading ticket. If the underlying price moves, the client may get requoted.

Market Execution ensures that the trade is made, although not necessarily at the original price seen. Both are available, however our default setting is to show clients fixed spreads with Market Execution, so orders are automatically executed at the next available price in the market. Unlike instant execution, you will never receive a requote.

The price won't necessarily always be the one you see when you place the order- any difference you may see would be due to slippage, which affects all institutional and retail brokers offering market execution. The principle reason why the price the order is filled at may differ from the price you see on the platform is that the price may have moved from the last market snapshot (either in your favour or against you).

5.4 REQUOTES

Citypoint maintains the right to requote any client requested price, and to continue to do so for an unlimited number of requotes, for as long as the price available on the market watch is incorrect or delayed, or whilst the market is in an extremely volatile state. Requotes can be either on entering a new position or closing an existing open position.

5.5 QUANTITY

Citypoint Trading normally provides certainty of execution for trades you wish to place for a quantity which is greater than the minimum quantity and lower than the maximum quantity the minimum and maximum quantities are set for each market and may vary depending on current market conditions for the underlying instrument. The minimum and maximum quantities are set for each market and may vary depending on current market conditions for the underlying instrument. These changes are, at all times, at the discretion of Citypoint Trading

5.6 GAPPING AND SLIPPAGE

In times of increased market volatility we may re-quote some orders and if the market gaps significantly, then we may exercise our policy of slipping or improving prices. For example, in the case of a significant market gap:

A trader places a buy limit for 1.5 lots of CAC 40 at 6717 before the close. The market does not reach this level that day. However the market opens at 6672 the following day. Therefore the trader's order will be executed at 6672. We now say the order has been "**improved**".

A trader places a sell stop for 2.0 lots of FTSE 100 at 5742 before the close. The market does not reach this level that day. However the following day the market opens at 5720. The trader's order will be executed at 5720. We now say the order has been "**slipped**".

5.7 LIQUIDATION LEVEL (STOP-OUT LEVEL)

If the free equity on your account falls below 10%, all current open positions will be automatically closed at the next available market price, starting with the largest losing position first. The free (margin) equity is calculated as $\text{Equity} - \text{Margin}$.

Citypoint reserves the right to increase this level in extreme market conditions

5.8 DEFICIT

In certain circumstances, a reasonable deficit resulting from account liquidation will be settled to zero at Citypoint's discretion.

However, if clients are seen to be continually over-leveraging themselves, and retaining very low margin levels prior to a potential large market movement or prior to market opening, which may result in much larger account deficits, we may decline a request to settle the deficit to zero.

If the clients came via an Introducing Broker, unsettled deficit could negatively affect our business relationship with the IB

5.9 LONG AND SHORT POSITIONS (HEDGED POSITIONS)

It is possible to have a long and short position in the same market. Trades are only closed out against each other if the client requests it. Margin is offset between the positions, so if the client is long and short the equal number of lots in the same market, no margin is charged.

Citypoint will monitor positions for any potential abuse of this facility, and may enforce a closure of such positions if required

Hedge is NOT always 100% risk free. Equity could be reduced or increased if a swap applied or a hedge is for non US dollar pair e.g. CFHJPY

5.10 THIRD-PARTY JUDGMENT ON INCORRECT PRICES

We will use major banks data, ECN or underlying exchange to determine bad, delayed or incorrect prices published on our market watch

5.11 DELETING A TRADE

In certain cases we may delete or “write off” a trade. The most likely cause for this is if a client places a trade at an incorrect price which never actually traded in the underlying market. In this case we would notify the client and delete the trade

6. TYPE OF ORDERS

Given the risks that arise when trading in volatile markets, the client may want to consider using different types of orders to limit risk and manage investment strategies. (It should be noted that the following descriptions of order types may apply only to some and not all types of investment instruments)

6.1 **Buy/sell stop** is a type of pending order that the client can place to buy or sell order on an investment instrument at a price worse than the price at the time of placing the order. Orders need to be on a specific distance from the current market price at the time of placing the order(s)

6.2 **Buy/sell limit** is a type of pending order that the client can place to buy or sell order on an investment instrument at a price better than the price at the time of placing the order. Orders need to be on a specific distance from the current market price at the time of placing the order(s)

6.3 **OCO (order-cancel-other)** a type of two orders that a client can place on one investment instrument whereby when any order triggered (filled) the other order will automatically be cancelled

6.4 If-Done order a type of order that a client can place on one investment instrument whereby when the order is triggered (filled) the other order(s) will automatically be activated

6.5 Trailing stop order Trailing stops are accepted by the platform. If a client has an open buy position and wants to move his stop up as the market trades higher, he can automate this process with a trailing stop

7. REVIEW OF EXECUTION POLICY

Citypoint will regularly review this policy and whenever a material change occurs that affects Citypoint's ability to obtain the best possible result for the execution of client orders.

Citypoint regularly reviews the overall quality of its order executions and its order routing practices, including its order routing vendors and the available exchanges (if any). Citypoint will amend this policy on the basis of such reviews if it considers it to be necessary. Any new policy will be made available on Citypoint's websites and will be enforced as from publication.