

TRADE | CAPITAL MARKETS

EXECUTION QUALITY SUMMARY STATEMENT FOR 2023



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1 INTRODUCTION, SCOPE AND PURPOSE OF THIS DOCUMENT

Trade Capital Markets (TCM) Ltd (“**TCM**” or the “**Company**”) is an investment firm, incorporated in Cyprus as a private limited liability Company under the provisions of the Cyprus Companies Law, Cap. 113. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (“**CySEC**” or the “**Commission**”) under license number 227/14, for the conduct of designated investment business in the Republic of Cyprus and other jurisdictions, as well as by the Financial Sector Conduct Authority (“**FSCA**”) in South Africa as a foreign Financial Services Provider under license number 47857. The LEI Code of the Company is 549300REMV7VLGS16J07. The Company’s head office is located at 148, Strovolos Avenue, first floor, CY 2048, Nicosia, Cyprus.

TCM is focused on offering investment services to retail, professional and eligible counterparties through its “Business-to-Consumer” (“**B2C**”) business segment representing online trading by retail clients via the website www.trade.com.

The Execution Quality Summary Statement (the “**Document**”) gives insights to the general public and to clients on how orders are being executed on behalf of clients, as well as underlying factors that may influence and affect the ultimate order execution.

The publication frequency of the Document is once per annum, with all disclosures included referring to the year ended 31st December 2023, whereby the said date is to be known as the “reference date”.

The Document is published on the Company’s websites www.tradecapitalmarkets.com and www.trade.com.

2 REGULATORY CONTEXT

The Document has been prepared and published in adherence to the Commission’s Delegated Regulation (EU) 2017/576 (hereinafter “**RTS 28**”) and is compliant with Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (“**MiFID II**”), the amending Directive 2002/92/EC, along with Directive 2011/61/EU particularly Article 27(10)(b) and with Law 87(I)/2017 of the Republic of Cyprus regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets (the “**Law**”).

The Company is committed to provide, on a continuous basis, an exceptional level of service to its clients, with diversified products and asset classes, while simultaneously ensuring complete adherence to the aforementioned Laws and Directives, to guarantee that clients achieve the best possible execution results on a consistent basis.

3 TREATING CUSTOMERS FAIRLY

The Company strives to provide to its clients a clear understanding and guidance on the products being offered. The Company’s goal is to ensure that clients are provided with appropriate products and that transparency is kept at optimal levels on a continuous basis.

The Company has a duty towards its clients to act honestly, fairly and professionally at all times. Furthermore internal policies and Code of Conduct procedures aim to keep performance at the highest level of professional standards.

4 INFORMATION ON THE OFFERED PRODUCTS

Contracts for Difference

The Matched Principal trading model is implemented and as such the Company acts as the sole Execution Venue for client orders on contracts for differences (“**CFDs**”) and instantaneously all orders are matched with the respective Execution Venues.

Client orders are executed with No-Dealing Desk Execution. This means that the Company uses automated execution engines where the process and execution of orders are managed by the system based on parameters implemented by the Company. When a client sends an order request, this request is first executed by the Company as the counterparty to the client, and simultaneously executed as an identical request to the designated Liquidity Provider (“**LP**”), fulfilling the Company’s execution model of acting on a Matched Principal basis (back-to-back trading).

Clients can access the Company’s CFD offering through the following platforms:

- Trade.com Web Trader
- Trade.com Mobile Trader
- MetaTrader 4
- Metatrader 4 Mobile
- MetaTrader 5
- Metatrader 5 Mobile

The CFD offering is comprised of the following asset classes, where the instruments available per platform may vary:

- Bonds
- Commodities
- Forex
- Cryptocurrencies
- Indices
- Stocks
- ETFs

5 BEST EXECUTION MONITORING

The Company, always taking into consideration the interests of its clients, constantly monitors the delivered execution quality to transactions whereby it acts as the counterparty to its clients. In providing best execution the Company is required to consider certain execution factors, as outlined below, whereby the following factors refer only to CFD transactions.

| Factors | Importance | Description |
|--------------------|------------|--|
| Price | High | <p>Price is considered to be the most important factor for the Company when assessing Best Execution.</p> <p>Daily monitoring is conducted by the Company's Dealing Department, to assess whether the price feeds allow for Best Execution on client orders on a consistent basis. The methodology used is regularly audited and adjusted should it be deemed necessary.</p> <p>Furthermore, monthly Best Execution reports are performed to ensure that the actual execution prices obtained by clients are in line with the preliminary requested prices.</p> |
| Costs | High | <p>The Company has established and implemented a Liquidity Hub which primarily aims to keep client transaction costs low and competitive. In addition, the Liquidity Hub facilitates in optimizing the existing trading infrastructure and eliminating certain elements such as intermediaries or counterparties whose presence is not justified for the overall execution quality and thus making the execution process as cost-effective as possible.</p> <p>The Company operates on the notion of being transparent, particularly on the charges and fees applicable to its clients. To this effect, all charges and fees are available on the "Charges and Fees" section of the Company's website.</p> |
| Speed of Execution | High | <p>All client orders are executed with "no-dealing desk execution", meaning that automated execution engines are utilized by the Company to ensure that manual intervention in order execution is avoided and thus the possibility of delays is minimized.</p> <p>Speed of execution is assessed on a daily basis by the Company's Dealing Department, with any failures or erroneous execution speeds being investigated and subsequently rectified.</p> <p>The Company has proceeded to optimize its trading infrastructure by using reliable data centers such as LD4, NY4 and TY3, and has ensured optimal connections are established with the respective LPs and market data vendors. The aforementioned actions guarantee that the Company's clients are provided with stable and fast connections to the trading platforms, as well as faster execution and real-time market data.</p> |

| | | |
|-------------------------|---------------|---|
| Likelihood of Execution | Medium | <p>The Company's trading platforms either accept or reject orders, depending on market or other underlying factors. The likelihood of execution generally depends on the liquidity available in the market and the depth of liquidity pools.</p> <p>Low liquidity and abnormal trading conditions contribute to increased order rejections which affect the clients.</p> <p>An assessment of likelihood of execution is conducted on a daily basis by the Company's Dealing Department.</p> |
| Size | Low | <p>The Company ensures that execution arrangements remain uniform when performing execution on unusually large orders, and that all factors influencing the potential outcome of an order being filled remain the same, at all times, irrespective of the order type.</p> |
| Other Factors | As applicable | <p>Varies depending on the arising circumstances.</p> |

6 COMMON OWNERSHIP AND CONFLICTS OF INTEREST

The Company acts as principal (i.e. Matched Principal) to its clients' transactions in the product offering of CFDs, and by doing so entails that all client trades are matched with the respective Execution Venues.

The Company does not share any close links and does not have any conflicts of interest or common ownership with any of the associated Execution Venues. A non-exhaustive list of possible conflicts of interest, as well as the relevant mitigation measures are present in the Conflicts of Interest Policy.

7 DISCLOSURE POLICY

The below information provide a summary in regards to important aspects of this Document.

Liquidity Providers

During 2023, the Company maintained liquidity agreements with five LPs that are either domiciled in the European Union or in a member of G20. The purpose of maintaining multiple liquidity agreements is to constantly act in the best interest of clients and ensuring an optimal level of service is achieved.

Client Categorization

The Company classifies its clients as being either "Retail" or "Professional". Client classification does not alter the methodology by which a client's order is processed for execution, however there is an acknowledgement on the variation in trading nature between the two client categories. "Retail" clients

are primarily interested in the price and costs factors, however “Professional” clients are mostly interested in other factors such as likelihood of execution and speed of execution.

Data and Tools

Industry-leading price and execution technology software is utilized by the Company, along with a Liquidity Hub which enables the sending and receiving of prices, the processing and execution of client execution requests and the generation of automatic reports. These reports are reviewed by the Company’s Dealing Department on a constant basis to evaluate the quality of execution and should it be deemed necessary, to proceed with any remedial actions.

8 EXECUTION QUALITY ASSESSMENT

The Company reviews its Order Execution Policy on an annual basis and whenever a material change arises which is deemed to affect the established best execution arrangements.

The Company complies with the requirement to publish information on the quality of execution of transactions in adherence to Commission Delegated Regulation (EU) 2017/575 (hereinafter “**RTS 27**”). This information will allow clients to assess the quality of execution and will help them to assess the effectiveness of the monitoring of execution policy carried out.

The information is published in a machine-readable electronic format, available for downloading by the public, on the Company’s websites.

9 INFORMATION ON THE TOP FIVE EXECUTION VENUES

In adherence to the various regulations the Company provides a detailed analysis on the top five execution venues in terms of trading volumes for all clients orders that have been executed. The analysis is presented in a tabular format, in separately published tables, and segregated per client categorization as defined in Section 7 of this Document.

In adherence to the Company’s obligation to ensure complete transparency, the following definitions apply to the relevant order types as depicted in the separately published tables:

- **Passive Order:** An order entered in the order book, that has provided liquidity;
- **Aggressive Order:** An order entered in the order book, that took liquidity;
- **Directed Order:** An order where the execution venue was specified by the client before the order was executed.