

# **OFFERSFX** ONLINE TRADING

# SUMMARY BEST INTEREST AND ORDER EXECUTION POLICY

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## 1. Introduction

Merba Ltd(ex.Xtrade Europe Ltd) (hereafter “the Company” or “OffersFX”) is a Cyprus Investment Firm (hereafter ‘CIF’) authorized and regulated by the Cyprus Securities and Exchange Commission (hereafter “CySEC”) with License Number 108/10 and operates in compliance to the Investment Services and Activities and Regulated Markets Law 87(I)/2017, registered (Certificate of Incorporation No. HE 248449) in the Republic of Cyprus through the Department of Registrar of Companies and Official receiver.

This Summary of the 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 87(I)/2017(hereafter “the Law”), as subsequently amended from time to time. Pursuant to the Law, OffersFX is required to take all sufficient steps to obtain the best possible result (best execution) on behalf of its Clients either when executing Client orders or receiving and transmitting orders for execution.

Under the above legislation, the Company is required to take all reasonable steps to act in the best interest of its Clients and to achieve the best possible results when executing Client Orders and to comply, in particular, with the principles set out in the Law when providing investment services.

Further to this, the Client also agrees/consents to the fact that its orders will be executed outside a Regulated Market (e.g. Licensed European Stock Exchange), a Multilateral Trading Facility (e.g. European Financial Trading System) or Organized Trading Facility (OTF).

## 2. Scope

This Policy provides an overview of the execution process, the factors which affect the execution of orders and specifically upon market volatility and sudden market movements. In addition, the sole execution venue offered by the Company is presented, as well as an overview of the available financial instruments and order types.

When the Company executes a client order will always act as a principal and not as agent, this means that clients deal with the Company and not with the underlying market. The Company ensures to deliver the best possible execution rate but cannot guarantee that

the execution rate given to the client will be more favorable than a rate that may have been available elsewhere.

The main purpose of this policy is to help clients understand how the Company executes client orders and help them to make an informed choice on whether to use Company's services. This Policy applies when executing orders for the Client for all the types of Contracts for Difference ("CFDs") as applicable, offered by the Company. You should ensure that you have read and understood the contents of this Policy.

This Policy applies to both Retail and Professional Clients (as defined in the Company's Client Classification Policy). If the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to such a Client.

In case you have been categorized as an Eligible Counterparty, although this policy does not apply to you, in our relationship with you, we will act honestly, fairly and professionally and communicate in a way which is fair, clear and not misleading, taking into account the nature of you as a Client and of our business.

### **3. Client's Specific Instruction**

Whenever there is a specific instruction from or on behalf of a Client for the execution of an Order, the Company shall arrange – to the extent possible – for the execution of the Client order strictly in accordance with the specific instruction.

**WARNING:** Nevertheless, if the Client provides a specific instruction as to the execution of to carry out an order, may prevent the Company from taking the steps designed and implemented in the Policy to obtain the best possible result for the Client.

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

### **4. Execution Venues**

The Company acts as principal and not as agent on the client's behalf for all trades in the instruments provided by the Company and, therefore, is the sole venue for execution of the clients' orders. As a result, the company does not delegate its best execution obligations to another party and retains the responsibility of delivering the best execution to its clients. The Company does not have counterparty risk arising from failure of another trading/Execution venue, as it does not transmits Client orders to another Execution Venue.

Further, the company has relationships with other Execution Venues which where hedges its market risk arising from clients' transaction, as per its risk management policy and limits. The Company evaluates and selects the Execution Venues it cooperates with based on a number of criteria by using its commercial judgment and experience in the

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light of the information available on the market. The Company, before deciding which Execution Venues to use for Client orders, it compares different Liquidity Providers and performs due diligence of them.

The Company's internal procedures and high-performance standards ensure its clients receive the best possible result when dealing with their orders and does not transfer its execution responsibilities to any other counterparty. The Company randomly selects a sufficiently large sample of trades to ensure, with a high statistical confidence level, that it constantly obtains and will obtain the best possible results for its Clients. This is verified by selecting samples from different periods of time, for different instruments and different types of CFDs. Also, the sample checks include trades under irregular market events.

The company ensures that all sufficient steps have been taken for the continuity of high performance, while continuously monitors the capacity and efficiency of trading platforms and update the software and servers where is deemed necessary. In case of technical failure of the trading platforms and/or quote feeds, the company may not be able to execute an order or may need to cancel/adjust the price of any trade which is executed wrongly. Your agreement to this Policy shall constitute your prior consent for us to execute orders outside a Trading Venue.

## **5. Trading Instruments**

This Policy is applicable to the financial instruments and their trading conditions as publicly available on the Company's website and can be traded through the Company's Trading platforms. The offered financial instruments are Contracts for Difference (CFDs) and it is up to the discretion of the Company to discontinue trading and/or pricing at any time. There is no physical exchange of the assets, there is no central clearing of the transactions, and they are traded 'over-the-counter' ('OTC').

Best Execution applies when the Company executes a client order in financial instruments and products including CFDs on

- Spot Currencies,
- Spot Metals,
- Futures on Metals, Commodities,
- Futures on Indices
- Shares

CFDs are speculative products which are traded with leverage and are not appropriate for all investors. By investing in CFDs, you assume a high level of risk which can result in the loss of all of your invested capital. Thus, you should never invest more than you are willing to lose. Further, Clients should consider whether CFDs are appropriate for them according to their financial status before initiating a trade. Trading CFDs require constant monitoring and may not be appropriate for persons who cannot devote time in this respect. If you do not have enough knowledge and experience to trade, we suggest you seek independent advice before you invest. If you still do not understand these risks

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after consulting an independent financial advisor, then you should refrain from trading at all.

## **6. Order Types and Execution of Client Orders**

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.

Our execution policy complies with the leverage policy as per the European Securities and Markets Authority (ESMA) Decisions under Article 40 of Regulation (EU) No 600/2014, for retail clients and as per below:

- 1:30 for Major Currency Instruments
- 1:20 for Non-Major Currency Instruments, Gold and Major Indices
- 1:10 for Commodities other than Gold and Non-Major Indices
- 1:5 for individual shares

The Company uses a proprietary Trading platform, web trader and a trading app. The Order Types that constitute the Order Execution on the Company's proprietary platforms are described below.

### **6.1. Market Orders**

These are orders to buy or sell a financial instrument at the current market rate. The platform will not reject market orders because of slippage, which is the difference between the requested and prevailing market rate. The executed rate can be different from the requested rate if the requested market rate is no longer available due to a rapidly moving market. The difference between the executed rate and the requested rate can be either in favor or against the client. The Company does not manually intervene in any way.

The platform will not allow a market order to be opened if the Margin Level as calculated and shown within the platform is or by executing the order goes below 100%.

### **6.2. Stop Out**

When Margin Level (%) drops at or below 50%, the system will automatically start closing some or all the open market trades. Market Orders will stop closing either when the Margin Level is brought back above 50% or when there are no open trades left. The system will start closing market orders starting from the least profitable order.

### **6.3. Limit Orders**

These are orders to buy or sell a financial instrument at a pre-defined rate. A buy Limit Order requires the pre-defined rate to be lower than the current market rate, while a sell Limit Order requires the pre-defined rate to be higher than the current market rate. Once the market rate reaches the pre-defined rate, the limit order is triggered, and a market order is executed at the next available rate.

The trading platform will not allow the execution of Limit Order into a Market Order if the Margin Level as calculated and shown within the terminal is or by executing the order will go below 100%, for both retail and professional clients. In such a scenario the system will delete the Limit Order. In all other cases, in all platforms, once set a Limit Order will remain active until the client cancels it. This is known as Good 'Til Cancelled (GTC).

### **6.4. Stop Orders**

These are orders to buy or sell a financial instrument at a pre-defined rate. A buy Stop Order requires the pre-defined rate to be higher than the current market rate, while a sell Stop Order requires the pre-defined rate to be lower than the current market rate. Once the market rate reaches the pre-defined rate, the Stop Order is triggered, and a market order is executed at the next available rate.

The trading platform will not allow the execution of Stop Order into a Market Order if the Margin Level as calculated and shown within the terminal is or by executing the order will go below 100%, for both retail and professional clients. In such a scenario the system will delete the Stop Order. In all other cases, in all platforms, once set a Limit Order will remain active until the client cancels it. This is known as Good 'Til Cancelled (GTC).

### **6.5. Stop Loss and Take Profit Orders**

A Stop Loss Order is a request to close an open trade when the market is moving against the trade at a pre-defined rate, while a Take Profit is a request to close an open trade when the market is moving in favor of the trade at a pre-defined rate. The execution of all Stop Loss Orders and all Take Profit Orders is not guaranteed. Stop Loss Orders and all Take Profit Orders are executed at the prevailing market rate.

## **7. Best Execution Factors**

**7.1. Price:** The Company provides live streaming quotes for the financial instruments provided on its platforms. These rates are being reviewed continuously in real time in order to ensure live feeding quotes are competitive and in line with the market (known as "on market"). The Company's price for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third party external reference sources it cooperates with, 'feed providers'. The Company applies a consistent pricing methodology at all

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times; in which the offered spread is a mark-up and mark-down from the underlying bid and ask rates provided by the 'feed providers'.

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 **BID** and the **ASK** price of a given CFD is the spread. Such orders as Buy Limit, Buy Stop and Stop Loss, Take Profit for opened short position 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.

The Company's prices can be found on the Company's website or trading platforms. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews its third-party external reference sources from time to time to ensure that the data obtained continues to remain competitive. The Company will not quote any price outside the Company's operations time (see execution venue below) therefore no orders can be placed by the Client during that time.

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.

**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. 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 under your Trading Agreement.

**7.2. Costs:** The Company does not charge commission fees, however, for opening a position in some types of CFDs the Client may be required to pay financing fees, depending on specific factors which are disclosed on the Company's website.

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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.

In addition, where the Company transmits orders for execution to another third party, the Client may be required to pay additional costs (whether Execution Venue fees or other fees paid to a third party involved in the transaction), the amount of which is disclosed on the Company's website.

Note that the Company nevertheless may obtain a commission/inducement from its Liquidity Provider in consideration for the transmission of Clients Orders for execution to the Liquidity Provider. The Client has the right to contact the Company for more clarifications in relation to these commissions. 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.

**7.3. Speed of Execution:** 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.

**7.4. Likelihood of Execution:** 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 arrange for the execution of any order or request or instruction of the Client in circumstances explained in the Client Agreement/General Terms and Conditions found at ([click here](#)).

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.

In order to improve speed and likelihood of execution the Company carries out certain ex-ante and ex-post quality checks. Such checks include, but not limited to, symmetric slippage checks, number of trades subject to slippage and comparing our average speed of execution with industry standards.

**7.5. 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.

**7.6. Size of the order:** The actual minimum and maximum size of an order that the Client can place is different for each type of CFD and may vary between different types of account groups. The relevant size of the minimum/maximum size of order is provided to the Client, through the trading platform, once the Client selects to place an order for a specific CFD. 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 on website [www.offersfx.com](http://www.offersfx.com)

**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. As stated above, the Company will at all times 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. 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.

#### 4. 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 high 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. 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. We do not guarantee the execution of your Pending Orders at the price specified. However, we confirm that your Order will be executed at the next best available market price from the price you have specified under your pending 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 quote provided to the Client is the next available price received by the Company from its liquidity providers. It is noted, that re-quotes are not applicable for accounts or currency pairs with Market Execution or for Pending Orders.

**(c) 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 [www.offersfx.com](http://www.offersfx.com).

#### 5. Best Execution Criteria

The Company will determine the relative importance of the above Best Execution Factors (see point 3, above) by using its commercial judgment and experience in the light of the information available on the market and taking into account:

- (a) The characteristics of the Client order.
- (b) The characteristics of the Financial Instruments CFDs that are the subject of that order.
- (c) The characteristics of the execution venue to which that order is directed.
- (d) The characteristics of the Client, including its categorisation as Retail or Professional.

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.

In view of the above, the Company assigns the following importance level for the above Best Execution Factors:

Factor	Importance Level
Price	High
Costs	High
Speed Execution	High
Likelihood Execution	Medium
Likelihood of Settlement	Medium
Size of the order	Medium
Nature of the order	Medium
Market Impact	Medium

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 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 that is capable of executing that Order, the Company's own commissions and costs for

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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.

## **10. Client's Consent**

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 the business relationship between the Company and the Client (i.e. this Policy forms part of the Client Agreement found at [www.offersfx.com](http://www.offersfx.com).)

It is noted that the Company does not execute orders to Trading Venues (i.e. Regulated Market, Multilateral Trading Facility, or an Organised Trading Facility). The Company will obtain the Client's consent prior to execute trades in a Trading Venue and will update this Policy.

## **11. Important Disclosures**

The Company undertakes to summarize and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where the Client orders were executed in the preceding year and information on the quality of execution obtained, in accordance to the relevant regulatory requirements.

The Company publishes an annual Execution Quality Summary Statement (EQSS) which for each class of financial instruments, include a summary of the analysis and conclusions the Company will draw from its detailed monitoring of the quality of execution obtained on the execution venues where all Client orders were executed in the previous year. Such disclosures are accessible via the Company's [website](#).

## **9. Monitoring**

The Company assesses on a regular basis, of particular transactions in order to determine whether it has complied with its execution policy, and whether the resulting transaction has delivered the best possible result for its clients.

This Policy should be reviewed by the relevant departments at least on an annual basis and whenever a "material change" occurs. A material change shall be a significant event that could impact parameters of best execution such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

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

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 between the Client and the Company. The Company will inform its Clients regarding the amended version of the Policy, once amended, in a durable medium (i.e. e-mail).

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

## **12. Complaints**

A complaint can be submitted to the Company according to the provisions of the Complaints Resolution Policy available on our website.

The Company shall analyse the complaint data provided to ensure that any recurring or systematic problems are identified and addressed, as well as any legal and operational risks. Upon completion of the investigation, the Company will inform the client in writing about the results of the investigation and the actions taken to satisfy the client's demand without any necessary delay.

If the client is not satisfied with the Company's final decision, then he/she can raise the complaint with the Financial Ombudsman of Cyprus and seek for possible compensation. For further information on our complaint handling procedure please visit our Complaints Handling Policy available on our website.