



Order Execution Policy Version 2.1

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1. Introduction

- 1.1 IC Markets (EU) Ltd (hereinafter “**IC Markets**”, “**we**”, “**us**”, “**our**”, “**ours**” and “**ourselves**” as appropriate), is authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) and, as a regulated entity, it is required to take all sufficient steps to ensure the best possible result when executing your instructions. This Order Execution Policy (hereinafter the “**Policy**”) sets forth how IC Markets (EU) Ltd will provide “best execution”, IC Markets in accordance with the Markets in Financial Instruments Directive 2014/65/EU of 15 May 2014 (“**MIFID II**”) and the Investment Services and Activities and Regulated Markets Law of 2007 (L.87(I)/2017) as amended. We recognise the importance of achieving the best possible result for you when executing your trades. Acting fairly and reasonably in our dealings with you is crucial part of our business. This Policy applies where we execute orders on your behalf regarding any MiFID-regulated financial products.
- 1.2 Upon acceptance of a client order for securities listed on regulated markets and outside, IC Markets will endeavour to execute that order in accordance with the following policy, unless otherwise instructed by the client in respect to order execution.
- 1.3 By agreeing to the provisions of our Terms & Conditions, you are also agreeing to the provisions of this Policy which forms part of the Terms & Conditions as defined in the Terms & Conditions, and this Policy should be read in conjunction with the Terms & Conditions. In the event of a disagreement between this Policy and the Terms & Conditions, then the Terms & Conditions shall prevail.
- 1.4
- 1.4 Company may trade in complex products which carry a high degree of risk. These products are not suitable for everyone. CFD Contracts and FX Contracts are leveraged products that carry a high degree of risk. You should not trade with us unless you understand the nature of the transaction you are entering into and the extent of your potential loss from a trade. You must satisfy yourself that it is suitable for you in the light of your circumstances, financial resources and investment objectives. If you are in any doubt, you should seek independent advice. You trade entirely at your own risk.
- 2.3 This Order Execution Policy applies to both retail and professional clients when executing transactions for the financial instruments provided by IC Markets. We are the sole counterparty and the sole execution venue to your trades. IC Markets is always the counterparty (or principal) to every trade; therefore, if the Client decides to open a position in a financial instrument with IC Markets, then that open position can only be closed with IC Markets.
- 2.4 When executing your orders, we will take all sufficient steps to achieve the best possible outcome for you by executing those orders according to this Policy and subject to any specific instructions received from you. This Policy comprises a set of procedures that are designed to obtain the best possible execution result, subject to and taking into account the nature of your orders, the specific instruction you have identified to us in relation to filling of those orders. The client acknowledges that our price may differ from any price which is or might have been available elsewhere.
- 2.4 Where IC Markets acts as counterparty to client orders, including cases IC Markets communicating quotes that are then accepted by a client, this Policy will apply provided that

the client is legitimately relying on IC Markets to protect his/her interests in relation to the transaction. The client will NOT be treated as legitimately relying on IC Markets if he/she is not categorized as retail client or the combination of all the following factors suggests that he/she is not actually relying on IC Markets:

- there is no respective services agreement existing between IC Markets and the client
- the transaction is initiated by the client
- the transaction is entered into under the existing market practice or convention, particularly the convention to 'shop around'
- the relative level of price transparency within the market is fair
- the client is not relying on the information provided by IC Markets as to the market conditions

Upon acceptance of a client order and when there is no specific instruction regarding the execution method, IC Markets will execute an order in accordance with this Policy. The Reception and Transmission of Orders department is responsible for routing client orders to the execution venue determined in accordance with this Policy and for execution of the trades.

2. Execution Criteria

In providing best execution IC Markets is required to take into account certain execution factors. Where IC Markets executes an order on behalf of a client, the best possible result is determined in terms of the total consideration representing the price of the financial instrument and the costs associated with the execution, which must include all expenses incurred by the client which are directly related to the execution of the order.

3.1 For determining the relative importance of the Best Execution Factors the following criteria will be taken into account:

- The characteristics of the client including the categorization of the client as retail or professional;
- The characteristics of your order;
- The characteristics of the financial products that are the subject of that order;
- any special objectives you may have in relation to the execution of the order;
- The characteristics of the execution venues to which that order may be directed.

For retail clients, the best possible result (or "Best Execution") shall be determined in terms of the total consideration, representing all the factors stated below.

Generally, IC Markets will give price a higher relative importance when obtaining the best possible result for professional clients. In IC Markets' experience, the next most important factor after price is typically the speed of execution. However, in certain circumstances, for some client orders, financial

instruments or markets, IC Markets, in its absolute discretion, may decide that other factors, including the need for timely execution, availability of price improvement, the liquidity of the market (which may make it difficult to execute an order), potential price impact, the size of the order, the nature of the financial transaction (including whether or not such transactions are executable on a regulated market, over-the-counter, or via either route) and the quality and cost effectiveness of any related clearing and settlement facilities, may be more important in determining the best possible execution result in accordance with its order execution policy.

IC Markets recognises that Professional clients will be relying on IC Markets to provide Best Execution and IC Markets will therefore execute their order in line with this Policy. However, in certain circumstances IC Markets' determination of the relative importance of the execution factors may differ from retail clients including for example where the likelihood of execution may take precedence over price.

The high relative importance in obtaining the best possible result for retail clients is described in paragraph 4.2 of this document.

4. Execution Factors

In general, all client orders will be executed in accordance with the time of their reception. IC Markets will carry out otherwise comparable 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. Client orders may not be treated by IC Markets as otherwise comparable if they are received by different media, e.g., electronically or by fax, and therefore it would not be practicable for them to be treated sequentially.

All reasonable steps will be taken in order to obtain, when executing client's orders, the best possible result for clients taking into consideration a range of different factors as required by MiFID II and the relevant local legislation. The Execution Factors that IC Markets will take into account when executing orders will include price, costs, speed, likelihood of execution and settlement, size, nature or any other relevant factor.

Execution factors will be applied by IC Markets, when executing client orders, in light of execution criteria presented above. The methodology indicated in this section is not rigid and may be altered by IC Markets in each particular situation as the client's interests may dictate. Specified below are the execution factors that IC Markets will take into account. The relative importance of the factors is also indicated. This is primarily the case with respect retail clients. For professional clients the particular order of importance may differ on a case-by-case basis taking into account the client's particular needs and preferences (when indicated by the client).

4.1 Price of the financial instruments – Highest importance

Price is one of the most important factors in order for IC Markets to meet its best execution obligations.

IC Markets calculates its prices by reference to the price of the relevant underlying financial instrument, which it obtains from third party external reference sources. IC Markets reviews its third-party external reference sources at least once a year, to ensure that the data obtained continue to be competitive. IC Markets updates its prices as frequently as the limitations of technology and communications links allow. For any given Financial Instrument, IC Markets will quote both the higher price (ASK) at which the client can buy (go long) that Financial Instrument and the lower price (BID) at

which the client can sell (go short) that Financial Instrument. The difference between the lower and the higher price of a given Financial Instrument is the spread which includes Company's mark-up. "Buy Limit", "Buy Stop" and "Stop Loss", "Take profit for opened short positions" orders will be executed at the ASK price, and "Sell Limit", "Sell Stop" and "Stop Loss", "Take profit for opened long positions" will be executed at the BID price. IC Markets will do all reasonable efforts to ensure that the Client receives the best spread and that its calculation is made with reference to a wide range of data sources and underlining price providers {We do not however guarantee that our quoted prices will be at a price which is as good, or better, then one might have been available elsewhere}. IC Markets will not quote any price outside IC Markets operations time (see execution venue below) therefore no orders can be placed by the Client during that time.

More information regarding our costs (spreads) can be found in our Contracts specifications in IC Markets' website.

In the case of Market Orders, Stop Market Orders and contingent Stop Loss Orders the price you receive at execution will be the best price available at the time our Back-to-Back Order is executed in whole or part with our Liquidity Providers. This could be better or worse than the price our Liquidity Providers at the time your Order is placed with us.

4.2 Costs – Highest importance

For professional clients, price and cost are generally two separate execution factors. For professional clients' price is generally the factor of primary importance for IC Markets to choose the execution venue, with cost being taken into account as a factor balancing against other execution factors. Indication to this effect in the client order or known client preferences will be followed.

For retail clients in the absence of specific client instructions, IC Markets will take into consideration all factors that will allow it to deliver the best possible result 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. Speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs may be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the retail client.

There are three broad categories of cost all of which are relevant to both professional and retail clients and which IC Markets will make reasonable effort to assess and minimize in choosing the way (including venue) of execution:

- Implicit cost, meaning the effect of the market impact of order execution. Implicit costs result from how a trade is executed (for example, immediately or worked over a period of time, in a block, aggregated with other trades, or as small orders sent to multiple different execution venues). For example, working a relatively large order over time on a less liquid market may minimise market impact and therefore achieve the lowest total costs (and the best net price). Although the impact of implicit costs can only be precisely assessed after a trade is completed, IC Markets will make reasonable estimations about the likely implicit costs of an execution strategy before the order is executed.

- Explicit external costs, which include exchange fees, clearing and settlement costs, taxes or any other costs passed on to the client by intermediaries (brokers, agents) participating in the transaction.
- Explicit internal costs, which represent IC Markets own remuneration through its fees, commission or spread.

Where IC Markets decides to make its profit on OTC markets through the difference in price between the bid and offer (the spread), these spreads will be treated as internal costs (rather than price). In this case the spread needs to be known and agreed in advance with the retail client and clearly differentiated from price.

IC Markets does not incorporate any commissions or fees into its quoted price; nevertheless, for opening positions in some financial instruments a commission or a financing fee might be applied. The fees and commissions are available in the Contracts specifications in IC Markets' website. (a) Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount, (b) mark-up on spread may be charged and (c) In the case of financing fees, the value of opened positions in some types of Financial Instruments is increased or reduced by a daily financing fee "swap" throughout the life of the contract. Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are available in the Contracts specifications in IC Markets' website. Of utmost importance to IC Markets is transparency of dealing costs, namely that the spread and commission rates are known before the client elect to trade and there are no unknown variables that will be revealed only after the client has traded. Also, of great importance to IC Markets is the transparency of execution, namely that the price quoted is the price at which the trade is executed.

4.3 Speed of execution – High importance

IC Markets acts as principal and not as agent on the Client's behalf; therefore, IC Markets is the sole Execution Venue for the execution of the Client's orders for the Financial Instruments provided by IC Markets. Speed of execution means to see a price, click and trade. However due to the levels of volatility affecting both price and volume, IC Markets seeks to provide client orders with the fastest execution reasonably possible although delays may occur. For these purposes IC Markets will use the data publicized by trading venues on the speed of the execution.

IC Markets places a significant importance when executing Client's orders and is doing all reasonable efforts to offer a high speed of execution within the technological and telecommunication limitations and it is not responsible for the poor performance of Client's technology, internet connection or any other resources that might result in Client's delay in the transmission of data between the Client and IC Markets. This delay may result in sending to IC Markets out of date "market orders" which might be declined or executed at better or worst prevailing market price through our platform. As the Client places Orders through IC Markets' Electronic Trading Platforms, the Client is exposed to risks associated with that, including the failure of hardware and software (e.g., Internet connectivity issues, server downtimes, etc). This may result that your Order is either not executed in accordance with your expectations or it is not executed at all. IC Markets does not accept any liability in the case of such a failure.

Speed of execution may have different meanings for the different types of execution venues as the measurement of speed varies by both trading systems and trading platform. For continuous auction order books, speed of execution is expressed in milliseconds while for other trading systems it is

appropriate to use larger units of time. Anyways, the similar parameters will be compared as to make the decision on the best speed for execution.

The actions specified above in this subsection will be performed by IC Markets periodically subject to availability of the respective data. All execution venues will be required by law to publicize such data starting from 3 January 2018. Before this date or in case of unavailability of such data (e.g., in case of the venue registered in a third country) IC Markets will assess speed of the execution using the information on the respective venue that is in fact available to IC Markets.

4.4 Likelihood of execution and settlement – High importance

IC Markets acts as principal and not as agent on the Client's behalf; therefore, IC Markets is the sole Execution Venue for the execution of the Client's orders for the Financial Instruments provided by IC Markets and all orders opened with IC Markets will be closed only with IC Markets.

IC Markets seeks to provide Client orders with the fastest execution reasonably possible although delays may occur. For these purposes IC Markets will use the data publicized by trading venues on the likelihood of the execution.

IC Markets strives to execute Client's orders at the requested price. However IC Markets reserves the right to decline an order of any type {or partly fill in any Order or to execute the order at the first available market price without providing any justification to Client} or to executed at better or worst prevailing market price for "market order" under certain market conditions, which include but are not limited to, volatile market conditions, opening gaps on trading session start moments, during news announcements, on gaps where the underline instrument has been suspended or restricted on a particular market, if there is insufficient liquidity for the execution of the specific volume at the requested price. Upon execution of the transactions IC Markets shall proceed to a settlement of such transactions.

Furthermore, factors such as the size of your Order and liquidity available in the Instrument you wish to trade will impact whether and when it is possible to execute your Order. The times at which you are able to submit Orders to us are restricted. It is important that you familiarise yourself with the restrictions on the submission of Orders before you commence trading with us, for these restrictions may affect your trading strategy. IC Markets operations time is defined in the Contracts specifications in IC Markets' website.

Likelihood of execution indicates the probability of execution of a particular type of order (e.g., market, limit order) and is supported, inter alia, by details on trading volumes and number of quotes placed and orders executed in a particular instrument. Information on likelihood of execution is connected with such metrics as the relative market size of a venue in a particular financial instrument or the class of instruments. Likelihood of execution may also be assessed with data on failed transactions or cancelled or modified orders.

The actions specified above in this subsection will be performed by IC Markets periodically subject to availability of the respective data. All execution venues will be required by law to publicize such data starting from 3 January 2018. Before this date or in case of unavailability of such data (e.g., in case of the venue registered in a third country) IC Markets will assess likelihood of the execution using the information on the respective venue that is in fact available to IC Markets.

All transactions are settled upon execution.

4.5 The size of the order – Medium Importance

The minimum size of an order may be different for each asset type and/or financial instrument. The unit measuring the transaction amount is the Lot and is different for each type of Financial Instrument. Details of the value of each Lot for a given Financial Instrument can be found in the Contracts specifications in IC Markets' website. Please refer to the website and/or platform for the value of minimum size of an order or minimum Lot for a given CFD type. IC Markets reserves the right to decline an order as explained in the Client Agreement entered with the Client. We have restrictions in place in terms of the minimum and maximum size of position you may hold in a Financial Instrument at any one time. Any opening Order you place with us will be subject to these restrictions. Our minimum and maximum position sizes are set by us for each Financial Instrument and may vary depending on current market conditions. Our minimum and maximum position sizes as they apply from time to time can be found in the Contracts specifications in IC Markets' website. In addition, please note our ability to fill your Order is dependent on our ability to fill our Back-to-Back Order, if applicable.

In order to compare the quality of execution for orders of different size, the data provided by execution venues on transactions within several size ranges will be monitored by IC Markets.

IC Markets will search for execution venues that provide the greatest liquidity and thus potential for execution of large orders. IC Markets also will seek opportunities for client orders to benefit from order-size commitments offered by the execution venues.

For these purposes the following data publicized by execution venues will be reviewed:

- median transaction size on that date if more than one transaction occurred
- median size of all orders or requests for quote on that date if more than one order or request for quote was received.

4.6 The nature of the order

The particular characteristics of an order can affect the execution of the client's order. The Client can place with IC Markets the following types of orders:

Type of orders

- a) **Market Order:** It is an order to buy or sell at the next available price at the time of placing the order. IC Markets will usually fill the order at the price that the Client sees and chooses in the Client Terminal. However, it is possible at certain times for the order not to be executed if the market has moved while the Client was placing the order. The Client may attach "Stop Loss" to limit his loss and/or "Take profit" to limit his profit.
Good 'til Cancelled ('GTC') (= Expiry): this is an execution setting that the client may apply to 'pending orders'. The order may remain 'live' and pending for execution until such time as the order is triggered and treated as a market order or cancelled by the client.
- b) **Pending Order:** A pending order is an order to buy or sell a financial instrument in the future once a certain price specified by the Client is reached. IC Markets offers four types of pending orders. Buy Limit, Buy Stop, Sell Limit and Sell Stop. Stop Loss and/or Take profit limits can be attached to

this type of order. The Client may modify an order before executed but has no right to modify or remove “Stop Loss”, “Take Profit” and “Pending Order” orders if the price has reached the level of the order execution.

Pending Order:

- Buy Stop: this is an order to buy at a specified price (‘the stop price’) that is higher than the current market price. It is a trade order to buy at the "Ask" price equal to or greater than the one specified in the order. The current price level is lower than the value in the order. Usually, this order is placed in anticipation of that the security price, having reached a certain level, will keep on increasing.
- Sell Stop: this is an order to sell at a specified price (‘the stop price’) that is lower than the current market price. It is a trade order to sell at the "Bid" price equal to or less than the one specified in the order. The current price level is higher than the value in the order. Usually, this order is placed in anticipation of that the security price, having reached a certain level, will keep on falling.
- Buy Limit: this is an order to buy at a specified price (‘the limit price’) that is lower than the current market price. It is a trade request to buy at the Ask price that is equal to or less than that specified in the order. The current price level is higher than the value in the order. Usually, this order is placed in anticipation of that the security price, having fallen to a certain level, will increase.
- Sell Limit: this is an order to sell at a specified price (‘the limit price’) that is higher than the current market price. It is a trade order to sell at the "Bid" price equal to or greater than the one specified in the order. The current price level is lower than the value in the order. Usually, this order is placed in anticipation of that the security price, having increased to a certain level, will fall.
- Stop Orders: this is an order to buy or sell once the market reaches the ‘stop price’. Once the market reaches the ‘stop price’ the ‘stop order’ is triggered and treated as a ‘market order’. If the ‘stop order’ is not triggered it shall remain in the system until a later date subject to the conditions described in the ‘Good ‘til Cancelled’ section. For CFDs on FX, spot metals, equities and indices, ‘stop orders’ should be placed a minimum number of pips away from the current market price in order for these to be valid. Stop Orders placed within the current bid-ask spread will be automatically removed.
- Stop Loss: this is an order that maybe attached to an already open position to close a position at a specified price (‘the stop loss price’). Once the market reaches the ‘stop loss price’ the order is triggered and treated as a ‘market order’. A ‘stop loss’ may be used to minimise losses. This order is used for minimizing of losses if the security price has started to move in an unprofitable direction. If the price of the instrument reaches this level, the position is fully closed automatically. Such orders are always associated with an open position or a pending order. The order can be placed only together with a market or a pending order. This order condition for long positions is checked using the Bid price (the order is always set below the current Bid price), and the Ask price is used for short positions (the order is always set above the current Ask price). If the ‘stop loss’ is not triggered it shall remain in the system until a later date. For CFDs on FX, spot metals, equities and indices, ‘stop loss’ orders should be placed a minimum number of pips away from the current market price in order for these to be valid. ‘Stop Loss’ orders placed within the current bid-ask spread will be automatically removed.

- **Take profit:** this is an order that may be attached to an already open position to close a position at a specified price ('the take profit price'). Once the market reaches the 'take profit price' the order is triggered and treated as a 'limit order'. A 'take profit' may be used to secure profits. The Take Profit order is intended for gaining the profit when the security price has reached a certain level. Execution of this order leads to a complete closure of the position. It is always connected to an open position or a pending order. The order can be placed only together with a market or a pending order. This order condition for long positions is checked using the Bid price (the order is always set above the current Bid price), and the Ask price is used for short positions (the order is always set below the current Ask price). If the 'take profit' is not triggered it shall remain in the system until a later date. For CFDs on FX, spot metals, equities and indices, 'take profit' orders should be placed a minimum number of pips away from the current market price in order for these to be valid. 'Take Profit' orders placed within the current bid-ask spread will be automatically removed.

NOTE: Most of the orders shall be automatically executed by the MT4 Platform as described above.

4.7 Slippage

At the time that an order is presented for execution, the specific price requested by the Client may not be available; therefore, the order will be executed close to or several pips away from the Client's requested price. If the execution price is better than the price requested by the Client that is referred to as 'positive slippage'. In contrast, if the execution 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 market practice and a regular feature of the foreign exchange markets and stock markets under conditions* such as liquidity and volatility due to news announcements, economic events and market openings. IC Markets' automated execution software does not operate based on any individual parameters related to the execution of orders through any specific Client accounts.

In other words, client's Orders may not be executed at declared prices. Slippage may appear in all types of accounts IC Markets offers.

It is noted that Slippage can occur also during Stop Loss, Take Profit and other types of Orders. IC Markets does not guarantee the execution of client's Pending Orders at the price specified. However, IC Markets confirms that client's Order will be executed at the next best available market price from the price he has specified under his pending Order.

IC Markets is going to publish "key trade execution statistics" which show the positive, negative and zero % of slippage, speed of execution as well as Re-quotes and rejection rates recorded on its execution platforms. These could be provided per different account types, execution platform/software used, order types, order sizes and markets or products (instrument type and underlying asset).

*Please note that this is not an exhaustive list.

4.8 Partial Fills

This is the practice of executing an order in parts if there is not enough liquidity in the market at the time, in order to fill-in the full order at a specific price. Partial fills may be executed at different prices.

4.9 Any other relevant factors

Under certain trading conditions it may be impossible to execute Orders on a Financial Instrument at the declared price. In this case IC Markets reserves the right to modify IC Markets spread and the client may experience widened spreads and execution at the first available price. This may occur, for example, during news announcements, at times of rapid price movement 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 in the trading session start moments (opening gaps). In such case, Take Profit orders below/above Buy Stop/Sell Stop orders or Stop Loss orders above/below Buy Stop/Sell Stop orders during activation will be removed.

IC Markets considers, but without the list being exhaustive, as relevant factors that might affect the execution of Clients Orders, fundamental announcements and unusual market conditions such as low liquidity or/and high volatility. IC Markets may execute at such times the orders manually which can have an impact on the price and speed the orders are executed.

IC Markets will take all reasonable steps to obtain the best possible result for its clients but during times of high demand manual pricing and/or execution may cause delays in processing an order which in turn can have an impact on the price and speed at which the order is executed. Furthermore, in the case of any communication or technical failure, as well as any incorrect reflection¹ on the quotes feed, IC Markets reserves the right not to execute an order or change the opening and/or closing price of a particular order.

5. Refusal to execute orders

The Client accepts that IC Markets reserves the right to refuse the provision of any investment and ancillary service, at any time, including but not limited to the execution of instructions for trading any type of financial instrument of IC Markets, without prior notice to the Client. The circumstances under which IC Markets shall proceed to the above actions are the following:

- If the Client has insufficient funds in his/her account;
- If the order affects the orderly function of the market;
- If the order aims at manipulating the market of the underlying financial instrument;
- If the order constitutes the exploitation of confidential information;
- If the order affects the orderly operation of the trading platform; and
- If the order contributes to the legalization of proceeds from illegal actions (money laundering)
- IC Markets obtains the right to reject or refuse any suspicious order that can be justified as abusive.

The Client understands that any act of refusal by IC Markets for the execution of any order will not affect any obligation of the Client towards IC Markets under the Terms and Conditions.

¹ **incorrect reflection:** a transaction may be performed on a wrong price due a miss-quote price feed from any of our third-party liquidity providers or through an unexpected technical fault

6. The Quality of Execution

- 6.1 When executing orders on behalf of clients in relation to financial instruments as defined by MiFID II, IC Markets will take all reasonable steps to achieve what is called “best execution” of client’s orders. This means that IC Markets has in place a policy and procedures that are designed to obtain the best possible result for client’s orders, subject to and taking into account any specific instructions from the client, the nature of client’s orders and the nature of the markets and products concerned.
- 6.2 While IC Markets will take all reasonable steps based on the resources available to it to satisfy itself that it has processes in place that can reasonably be expected to lead to the delivery of the best possible result for its clients, it cannot guarantee that it will always be able to provide best execution of every order executed on client’s behalf, particularly where the client gives specific instructions as to all or part of its order.
- 6.3 The provision of “best execution” by IC Markets does not mean that IC Markets owes its clients any fiduciary responsibilities over and above the specific regulatory obligations placed upon it or as may be otherwise contracted between IC Markets and its clients. Clients remain responsible for their own investment decisions and IC Markets will not be responsible for any market trading loss suffered as a result of those decisions.
- 6.4 IC Markets generally considers the most important of the execution factors to be, in order of importance:
- a) Price and related execution costs;
 - b) Speed and likelihood and settlement of execution;
 - c) Size of the order;

In addition to the factors discussed above, IC Markets will determine the relative importance of the Execution Factors by using its commercial judgment and experience in the light of the information available on the market and taking into account the Execution Criteria described above. Demonstrating best execution does not necessarily involve a transaction-by-transaction analysis, but rather involves an assessment of a record of transactions over a period indicating that overall, the best results is achieved by executing orders on the client’s behalf on the Execution Venues and in the manner described in this Order Execution Policy. IC Markets reserves discretion to modify, add or remove execution venues.

- 6.5 To assess overall execution quality of the execution venue all the parameters pointed out in this section will be evaluated in an integrated way taking into account client category, needs and preferences. To this effect, the following metrics, if applicable, may be additionally taken into consideration:
- best bid and offer price and corresponding volumes
 - book depth
 - average spread

- the number and average duration of periods during which no bid or offers were provided
- number, time and duration of clearing sessions
- margin, collateral requirements and flexibility
- availability and speed of transfer of assets between different markets of the execution venue
- existence and quality of a DMA system
- other relevant characteristics.

- 6.6 In certain markets and trading situations such as “over the counter” (OTC) markets there may not be an equivalent publicly available market price for the instrument being traded. In such situations IC Markets will use its experience and commercial judgment to consider all relevant information available to it and apply this Order Execution Policy with a view to achieving the best possible result in terms of the total consideration.
- 6.7 In some cases, because of a system failure or otherwise IC Markets may have no alternative but to execute an order using a method other than the method it has selected based on this Order Execution Policy. In such cases, IC Markets will endeavour to execute the order on the best terms possible.
- 6.8 In the absence of specific client instructions in retail client order, IC Markets will take into consideration all factors that will allow it to deliver the best possible result 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. Speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs may be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the retail client.
- 6.9 The Client may request IC Markets to execute upon receipt instructions conveyed by telephone or any other written means of communication that each of the present and future account holders, attorneys and duly authorized representatives shall give individually to IC Markets, even if these instructions are not followed by a confirmation in writing. IC Markets does not accept any liability in case of miscommunication, error in the identification of the person giving the instructions or other errors on its part related to such means of communication and which may involve losses or other inconvenience to the Client. We are under no obligation to accept an Order from a Client through the above means of communication. However, we shall normally do so if you have sufficient funds in your Account with us, you are not otherwise in breach of the Agreement, and it is possible to execute such Order. Factors such as the size of your Order and liquidity available in the Financial Instrument you wish to trade will impact whether and when it is possible to execute your Order.
- 6.10 For Retail Clients, IC Markets has the right, at its own discretion, to start closing Clients positions at margin level less than 60% starting from the most unprofitable one and at margin

level of equal or less than 50% IC Markets will automatically close Client's positions at market price starting from the most unprofitable one. For Clients that are categorized as Professional Clients, IC Markets has the right, at its own discretion, to start closing Clients positions at margin level less than 60% starting from the most unprofitable one and at margin level of equal or less than 30% IC Markets will automatically close Client's positions at market price starting from the most unprofitable one.

7. Specific instructions

- 7.1 Where the client provides IC Markets with a specific instruction in relation to his/her/it order or any part of it, including selection of execution venues, IC Markets will execute that order in accordance with those specific instructions and, in doing so, it will have complied with its obligations to provide the best possible results to the extent that those instructions are followed.
- 7.2 For the purposes of this Policy under specific instruction will be meant any Order which expressly includes the indication of execution venue and/or party for execution and/or time limit for execution and/or other firm conditions including specific settlement terms. When executing a specific instruction, IC Markets will seek the best possible result for the client under the constraints imposed by the specific conditions provided in the Order, e.g., most favourable prices available on the execution venue or offered by the third party specified by the client within the particular period of time.
- 7.3 However, IC Markets would like to warn its clients that any specific instruction may prevent IC Markets from taking the steps that it has designed and implemented in its execution policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

8. Execution Venue

- 8.1 Execution Venue(s) (trading venues or venues) means a regulated market or a multilateral trading facility (MTF), an Organized Trading Facility (OTF), or a systematic internaliser or a market maker or other liquidity providers (e.g., broker dealers) or an entity performing in a third country a function similar to any of the above mentioned, with which IC Markets places client's orders for execution or to which it transmits orders for execution.
- 8.2 For the purposes of orders for the financial instrument provided by IC Markets, IC Markets acts as principal and not as agent on the Client's behalf; therefore, IC Markets is the sole Execution Venue for the execution of the Client's orders.
- 8.3 The Client acknowledges that the transactions entered into with IC Markets for the financial instrument provided by IC Markets are undertaken through the trading platform of IC Markets. The Orders will be executed on an 'over the counter' basis rather than on a regulated market or a Multilateral Trading Facility and the Client is exposed to a greater risk of a possible default of the counterparty (i.e., IC Markets). IC Markets reserves the right to decline the execution of an order, or to change the opening or closing price of an order in case of any technical failure of the trading platform, quote feed or any other unforeseen event. The terms and conditions and trading rules are established solely by the counterparty which in this case is IC Markets. The Client is obliged to close an open position of any given Financial Instruments during the opening hours of IC Markets' Electronic Trading Platform which are defined in the Contracts specifications in IC Markets' website. The Client also has to close any position with the same counterparty with whom it was originally entered into, thus IC Markets.

- 8.4 Where IC Markets were to apply different fees depending on the Execution Venue (which is not the case at present given that we are your sole Execution Venue), we will explain these differences in sufficient detail to allow you to understand the advantages and disadvantages of the choice of a single Execution Venue. Costs should include execution fees, including fees for the submission, modification or cancellation of orders or quotes withdrawals, as well as any fees related to market data access or use of terminals. The relevant costs may also include clearing or settlement fees, or any other fees paid to third parties involved in the execution of the order when they are part of the services provided by the execution venue.
- 8.5 IC Markets will never invite clients to choose an execution venue, however in case IC Markets takes such action fair, clear and not misleading information shall be provided to prevent the client from choosing one execution venue rather than another on the sole basis of the price policy applied by the firm.
- 8.6 Where there is more than one competing venue to execute an Order IC Markets own commissions or fees for executing the Order on each of such execution venues will be taken into account. For the purposes of preventing unfair discrimination between execution venues IC Markets will not charge a different commission or spread for execution on different execution venues other than to reflect actual differences in the cost to IC Markets of executing on those venues.
- 8.7 IC Markets shall not receive any remuneration, discount or non-monetary benefit for routing client Orders to a particular execution venue which may lead to a conflict of interest. This particularly includes instances where such execution venues (e.g., internalisers matching client orders) are also connected parties with IC Markets. Under the same principle, IC Markets should not be bound to use services of connected intermediaries (e.g., liquidity providers of the same group) for executing a client Order if the overall cost of such execution, including the intermediary's fee, unfairly exceeds the cost of execution of such an Order through another immediately available intermediary with no specific benefit for the Client (e.g., favourable maintenance or custody fee).
- 8.8 To act in the best interests of its clients, IC Markets will be considering transmitting client orders instead of executing them itself where that would deliver a better result for clients.
- 8.9 IC Markets will not pay or be paid any fee or commission, or provide or be provided with any non-monetary benefit in connection with the provision of an investment service or an ancillary service, to or by any party except the client or a person on behalf of the client, other than where the payment or benefit:
 - a) is designed to enhance the quality of the relevant service to the client; and
 - b) does not impair compliance with the investment firm's duty to act honestly, fairly, and professionally in accordance with the best interest of its clients.

The existence, nature and amount of the payment or benefit referred to in the first subparagraph, or, where the amount cannot be ascertained, the method of calculating that amount, will be clearly disclosed to the client, in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant investment or ancillary service. Where this payment or benefit vary depending on the client, IC Markets will also inform the client about the maximum payment or benefit or range of payment or benefit that may be

payable. Where applicable, IC Markets will also inform the client on mechanisms for transferring to the client the fee, commission, monetary or non-monetary benefit received in relation to the provision of the investment or ancillary service.

The payment or benefit which enables or is necessary for the provision of investment services, such as custody costs, settlement and exchange fees, regulatory levies or legal fees, and which by its nature cannot give rise to conflicts with IC Markets' duties to act honestly, fairly and professionally in accordance with the best interests of its clients, is not subject to the requirements set out in the first subparagraph.

9. Receipt and transmission of orders and use of brokers (including IC Markets affiliated and third-party brokers)

- 9.1 Subject to any specific instructions that may be given by a client, IC Markets may transmit an order that it receives to another IC Markets entity or to an approved third-party broker, for execution. In doing so, IC Markets will act in the best interests of the client. IC Markets will monitor the quality of this service from receipt and transmission of the order to final execution.
- 9.2 IC Markets may also execute client order via other brokers, including an affiliate of IC Markets or a third-party broker.
- 9.3 The obligation to provide best execution applies to all types of financial instruments captured under MiFID II and is not based on whether or not the instrument is listed in the EEA. Therefore, IC Markets will require its affiliates and other third-party brokers to apply best execution.

10. Liquidity Providers / Price Providers / Brokers

In order to select its Liquidity Providers / Price Providers / Brokers IC Markets considers all or part of the following criteria (the list is not exhaustive), if applicable:

- Their regulatory status;
- Their Financial strength;
- Rating;
- Reputation;
- Perceived creditworthiness - Credit risk rating (if available);
- Whether offered prices are as good as or better than, other competitors;
- Competitiveness of Commission rates, spreads, and fees;
- Costs: whether imposes, or its use results in, charges that are higher or lower than its competitors;
- Ability to deal with large volumes;
- Order sizes that typically accepts;
- Promptness of execution;
- How quickly tends to complete an order;
- The depth of trading opportunities - and thus, the likelihood that will be able to complete the client order;
- Whether and how well performs in executing different types of orders (buy, sell, limit order, etc);
- Past history in executing orders;

- Clearance and settlement capabilities;
- Ability to settle customer's orders according to the customer's instructions;
- Provision of delegated regulatory reporting;
- Market share;
- Tenure;
- Reliability of technology;
- Quality of service;
- Quality of Execution (i.e., speed of execution, rejections, slippage, etc.).

In some markets price volatility may mean that timeliness of execution is a priority. In other markets that have low liquidity, the fact of execution may itself constitute best execution. In still other cases, our choice of venue may be limited because of the nature of your order or your requirements. For example, when investment products are more illiquid, there may be little (or no) choice of venue. (c) We take into account factors such as cost, benefits of accessing multiple venues and accessibility in deciding which venues we use. In some circumstances we may have access to more than one venue for executing an order in a particular financial product. In these situations, we'll endeavour to choose the best venue for the order, taking into account the factors applicable to choosing venues.

We'll generally pass your order on to a third party (which may be a broker and an affiliated company) for execution. (b) We may pass an order to a non-affiliated third-party broker or dealer for execution. We have internal processes and procedures in place to periodically review our choice of third-party brokers and dealers to ensure that, taking into account all the factors specified above, the third-party broker or dealer is providing the best results for your orders on a consistent basis. In making this determination we'll consider: (i) prices offered for the particular type of instrument over time; (ii) average costs per trade charged for the type of trade over time; and (iii) the best execution policy of, and any other guidance issued by, the relevant broker or dealer from time to time.

11. Evidence of best execution

Upon reasonable request from a client, and provided that the order was subject to the Policy, IC Markets will demonstrate to the client that it has executed its order in accordance with this Policy. In the absence of evidence to the contrary, the records of IC Markets will constitute conclusive evidence of the actions taken by IC Markets to obtain Best Execution on behalf of its clients. IC Markets keeps all records relating to its trading activities, versions of this Policy and records of the prices for individual financial instruments shown on our Electronic Trading Platform, including details about costs, speed and likelihood of execution, for a minimum period of 5 years in accordance with MiFID II and local regulatory requirements. We shall also keep records which evidence our ongoing monitoring of best execution, and which demonstrate our compliance with best execution obligations to any Competent Authority.

12. Monitoring / Reviewing

12.1 IC Markets will regularly monitor the quality of the execution process to assess whether:

- Client's orders are being handled in compliance with this Policy; and
- Best execution is being achieved at the selected execution venues.

12.2 IC Markets will review and monitor the effectiveness of this Order Execution Policy and arrangements to identify and, where appropriate, correct any deficiencies. It will assess, at

least annually, whether the execution venues included in this Order Execution Policy enable IC Markets to provide the best possible result for the client's orders and whether it needs to make changes to its execution arrangements.

- 12.3 If at any time we identify any deficiencies, we shall take appropriate remedial action and, where necessary, we shall amend this Policy to give effect to the action we have carried out. Amendments to this Policy shall be effective immediately.
- 12.4 Furthermore, a review will also be carried out whenever a material change occurs that affects the ability of IC Markets to continue to obtain the best possible result for the execution of its client orders on a consistent basis using the venues included in this Order Execution Policy. IC Markets will not notify its clients individually of changes, other than substantial material changes to this Order Execution Policy and therefore the client should refer from time to time to IC Markets' website where the latest and most up to date Execution Policy will be available.
- 12.5 IC Markets will publish on an annual basis on its website without any charges, data relating to the quality of execution of transactions on that venue and following execution of a transaction on behalf of a client it will inform the client where the order was executed. Periodic reports will include details about price, costs, speed, and likelihood of execution for individual financial instruments.
- 12.6 IC Markets will summarise and make public on an annual basis, for each class of financial instrument, the top five execution venues in terms of trading volumes where they executed client orders in the preceding year and information on the quality of execution obtained.
- 12.7 IC Markets considers that the following factors, the list is not exhaustive, constitute Material Change:
 - Change of execution venues (Liquidity Providers / Price Providers / Brokers)
 - Significant delay in the execution of orders
 - Significant deviation between "positive slippage" and "negative slippage"
 - Significant increase in the number of re-quotes
 - Significant deviation of the quoted prices compared with the average market price
 - Any change to the relative importance of execution criteria and relevant factors as described in this policy
 - Changes of the platform(s) used by IC Markets for execution of client's orders

13. Prior Consent

- 13.1 When establishing a business relationship with the Client IC Markets is required to obtain client's prior consent to its Order Execution Policy.
- 13.2 IC Markets is also requiring client's express prior consent in the event that their orders will be executed or transmitted for execution outside of a regulated market or multilateral trading facility ("MTF") or an Organised Trading Facility ("OTF"). This IC Markets Order Execution

Policy provides for the possibility that client's orders may be executed or transmitted for execution outside a regulated market or an MTF or an OTF. The Client is informed that IC Markets always acts as principal (counterparty) and is the sole execution venue, which is not a regulated market or a multilateral trading facility ("MTF") or an Organised Trading Facility ("OTF").

- 13.3 IC Markets may obtain the above consents in the form of a general agreement. IC Markets will treat clients who have either received the Order Execution Policy or agreed to receive it in any electronically format or via the internet and have accepted the Terms of Business of IC Markets, as Clients who have given consent to the Policy as well as given express consent to IC Markets to execute or receive and transmit an order for execution outside a regulated market or MTF or an OTF.
- 13.4 Please note that there are various consequences resulting from an order being execute outside of a Trading Venue, including counterparty credit risk potentially resulting from facing a counterparty rather than, say, a clearing house of the Trading Venue. If you would like additional information about such consequences, please let us know in writing.

14. Important Information

- 14.1 Specific leverage limits or restrictions apply for retail clients. There may be specific leverage limits on the instruments available. For more information, please visit our website.
- 14.2 CFDs are not eligible for sale in certain jurisdictions or countries. The Policy is not directed to any jurisdiction or country where its publication, availability or distribution would be contrary to local laws or regulations, including the United States of America. The Policy does not constitute an offer, invitation, or solicitation to buy or sell CFDs. It may not be reproduced or disclosed (in whole or in part) to any other person without prior written permission. The Policy is not intended to constitute the sole basis for the evaluation of the client's decision to trade in Contracts for Difference (CFDs).
- 14.3 Thanks to the cooperation with the leading providers, we can offer our clients a high level of the liquidity, which provides fast and secure execution of all transactions.
- 14.4 IC Markets will obtain the best possible result for the client in respect of the elements covered by their instructions.

15. Requests for further Information

- 15.1 The client has the right to make reasonable and proportionate requests for information about this policy or IC Markets order execution arrangements and how they are reviewed by IC Markets. IC Markets will clearly provide relevant information to the client as soon as possible.

16. Execution Quality Summary Statement

The Company also publishes at least on annual basis by the end of April each year, its Execution Quality Summary Statement on execution arrangements for CFDs. You can find our latest Execution Quality Summary [here](#).

17. Contacting us

If you have queries about this Policy, please contact support@icmarkets.eu.

Appendix 1

Execution Venues

The table below lists our top five execution venues IC Markets reserves the right to use other execution venues and third parties where we consider that it is appropriate in the light of this Policy, and we may from time to time add or remove an execution venue or a broker from this list.

The execution venues used by IC Markets include but are not limited to the following:

Execution Venue	Country of Establishment	Supervisory Authority
IC Markets (EU) Ltd	Cyprus	CySEC
CMC Markets UK Plc	UK	FCA
IS Prime Limited	UK	FCA
Invast Financial Services Pty Ltd	Australia	ASIC
LMAX Broker Limited	UK	FCA
FxOpen Ltd	UK	FCA
GC Exchange Limited	UK	FCA

IC Markets