



EDR Financial LTD

Execution Venues 2017

INFORMATION ON THE TOP 5 EXECUTION VENUES & QUALITY OF EXECUTION

RTS28 REPORT

2017

Document created on: April 2018

1. ABOUT

EDR Financial Ltd («**the Company**» or «**EDR**») is a Cyprus Investment Firm incorporated and registered under the laws of the Republic of Cyprus. It is licensed and regulated by the Cyprus Securities and Exchange Commission («**CySEC**»), under license number 268/15.

2. OBJECTIVE

2.1 The purpose of this document is to publish information of the top five execution venues in terms of trading volumes where EDR executed client orders during the year 2017, in order for the public to be able to evaluate the quality of EDR's execution practices. Information is provided herein, regarding the quality of execution, and more specifically of the factors that could influence the order execution procedure, as well as any strategies, data or tools used to obtain, assess and monitor the quality of execution.

2.2 The present document needs to be read in conjunction with the Company's [Order Execution Policy](#) and the [Conflict of Interest Policy](#). It shall remain effective until a more recent version is created. The Company reserves the right to amend or supplement this Document at any time.

3. APPLICABLE LAWS

This document is issued by virtue of and to ensure compliance with:

- i) The Commission Delegated Regulation (EU) 2017/576 («**RTS28**») of 8 June 2016, supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution;
- ii) The Section 9 of the Questions and Answers Document of the European Securities and Markets Authority («**ESMA**») relating to the provision of CFDs and other speculative products to retail investors under MiFID;

- iii) The Section 1 of the Questions and Answers Document of the European Securities and Markets Authority («ESMA») on MiFID II and MiFIR investor protection and intermediaries topics;
- iv) The Law of the Republic of Cyprus L. 87(I)/2017, Law which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters which transposed **MiFID II** into Cyprus legislation and;
- v) The Law of the Republic of Cyprus L. 144(I)/2007, Law which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters, which transposed **MiFID** into Cyprus legislation, to the extent that it is still applicable.

4. TOP 5 EXECUTION VENUES FOR 2017

4.1 Quality of execution

Under the applicable laws and regulations, the Company is obliged to publish the top five execution venues for the year under review, in terms of trading volumes for all client executed orders per class of financial instrument. Information that was derived from the relevant records maintained by the Company, are included in the tables below. More particularly, «**Table 1**» provides information that is specific to Retail clients, and «**Table 2**» provides information relevant to Professional clients. On the other hand, «**Table 3**», which is not currently applicable to the Company, normally publishes orders in Securities Financing Transactions (STFs). The information is provided by approximation.

| Table 1 | | | | | | |
|--|--|---|---|----------------------------------|-------------------------------------|-----------------------------------|
| Retail Clients | | | | | | |
| Class of Instrument | | | CFD | | | |
| Notification if <1 average trade per business day in the previous year | | | No | | | |
| No# | Top 5 execution venues ranked in terms of trading volumes (descending order) | Proportion of volume traded as a % of total in that class | Proportion of orders executed as % of total in that class | % of passive orders ¹ | % of aggressive orders ² | % of directed orders ³ |

¹ Passive Order: is an order entered into the order book that provided liquidity.

² Aggressive Order: is an order entered into the order book that took liquidity.

³ Directed Order: is an order where a specific execution venue was specified by the client prior to the execution of the order.

EXECUTION VENUES (RTS28)

| | | | | | | |
|----|-----------------------------------|--------|--------|-----|-----|-----|
| 1. | Invast Financial Services Pty Ltd | 39.29% | 20.28% | N/A | N/A | N/A |
| 2. | LMAX Limited | 31.22% | 31.44% | N/A | N/A | N/A |
| 3. | OR Capital Ltd. | 13.50% | 39.08% | N/A | N/A | N/A |
| 4. | Divisa UK Limited | 15.99% | 9.21% | N/A | N/A | N/A |
| 5. | N/A | N/A | N/A | N/A | N/A | N/A |

| Table 2 | | | | | | |
|--|--|---|---|---------------------|------------------------|----------------------|
| Professional Clients | | | | | | |
| Class of Instrument | | | | CFD | | |
| Notification if <1 average trade per business day in the previous year | | | | No | | |
| No# | Top 5 execution venues (Liquidity Providers) ranked in terms of trading volumes (descending order) | Proportion of volume traded as a % of total in that class | Proportion of orders executed as % of total in that class | % of passive orders | % of aggressive orders | % of directed orders |
| 1. | Invast Financial Services Pty Ltd | 17.30% | 16.04% | N/A | N/A | N/A |
| 2. | LMAX Limited | 18.24% | 24.45% | N/A | N/A | N/A |
| 3. | Divisa UK Limited | 8.10% | 7.83% | N/A | N/A | N/A |
| 4. | OR Capital Ltd. | 56.36% | 51.68% | N/A | N/A | N/A |
| 5. | N/A | N/A | N/A | N/A | N/A | N/A |

| Table 3 | | | |
|--|--|---|---|
| Client Orders executed in STFs | | | |
| Class of Instrument | | CFD | |
| Notification if <1 average trade per business day in the previous year | | N/A | |
| No# | Top 5 venues ranked in terms of volume | Proportion of volume executed as a % of total in that class | Proportion of orders executed as a % of total in that class |
| 1. | N/A | N/A | N/A |

EXECUTION VENUES (RTS28)

| | | | |
|----|-----|-----|-----|
| 2. | N/A | N/A | N/A |
| 3. | N/A | N/A | N/A |
| 4. | N/A | N/A | N/A |
| 5. | N/A | N/A | N/A |

4.2 Execution model

The Company is offering investment services in relation to Contracts for Difference («CFDs»), to both Retail and Professional Clients, pursuant to the requirements of its license. All orders executed during the year under review, constituted «passive» orders. During the year under review, the Company acted as an agent, as it is functioning on a Straight-Through-Processing (STP) model and executed all of its client's orders through the above mentioned Liquidity Providers/ Execution Venues.

5. GENERAL INFORMATION ON EXECUTION VENUES

| No# | Name of Execution Venue | LEI number | Regulatory Environment | Contractual Commencement date with the Company | Commencement date with the Company in practice | End date of the business relationship with the Company |
|-----|-----------------------------------|------------------------|------------------------|--|--|--|
| 1. | LMAX Limited | 21380034T U2TI8CNZ5 78 | FCA | March 2016 | March 2016 | January 2018 |
| 2. | Invast Financial Services Pty Ltd | 21380034T U2TI8CNZ5 78 | ASIC | June, 2016 | June, 2016 | N/A |
| 3. | Divisa UK Limited | 2138002W12 8DFCAN6Q9 0 | FCA | August, 2017 | October, 2017 | N/A |
| 4. | OR Capital Ltd. | N/A | IFSC | January, 2016 | January, 2016 | N/A |
| 5. | N/A | N/A | N/A | N/A | N/A | N/A |

6. STATEMENT OF AGREEMENT TERMINATION

The Company had a contractual agreement with LMAX Limited from March 2016 to January 2018. During the year under review, this agreement was terminated as a result of a business decision, concluded on the basis of obtaining more competitive prices and speed of execution.

7. BEST EXECUTION SUMMARY ANALYSIS

Best Execution is defined as:

- a. The obligation of the Company to take all sufficient steps to act in the best interest of its Clients when receiving and transmitting orders for execution;
- b. The obligation of the Company to maintain and adhere to the [Order Execution Policy](#), as amended from time to time;
- c. The obligation of the Company to adhere to the applicable Laws.

MiFID II requires investment firms to take, on a consistent and ongoing basis, all sufficient steps to obtain, when executing orders, the best possible result for their clients. To obtain the best possible result, the Company, takes into account factors such as the price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

The Company ranks those factors according to their importance to: High, Medium, or as requiring individual examination on a case per case basis. The Company does not rely on the procedures followed by its Execution Venues.

8. LIST OF FACTORS IN RELATION TO IMPORTANCE (NON-EXHAUSTIVE LIST)

| Factors | Interpretation | Importance |
|--------------|---|------------|
| Price of CFD | The price at which the order is executed. Please refer to sec on 4.1, «Price of the financial Instrument» of the Order Execution Policy. | High |
| Costs | Charges that may occur when executing an order. For opening a position, a client may be required to pay commission or financing fees. Please refer to section 4.2. «Costs» of the Order Execution Policy. | High |

| | | |
|--|---|--------|
| Speed of Execution | The Company strives to offer high speed of execution within the limitations of technology and communication links. However, under certain trading conditions it may be impossible to execute orders at the Client's requested price. In this case, the Company has the right to execute the order at the first available price, due to rapid price fluctuations, if the prices rise or fall in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or because of the opening of trading sessions. Please refer to Section 4.3 «Speed of Execution» of the Order Execution Policy. | High |
| Likelihood of Execution and Settlement | The Company acts as an agent (it is not the execution venue), which means, it receives direct liquidity from the markets for CFDs. Therefore, the Company may not be able to execute the order at the best available price or may not be executed at all. Please see the Company's Order Execution Policy. | Medium |
| Slippage | The Company frequently monitors and assesses executed orders for slippage. | High |

EXECUTION VENUES (RTS28)

| | | |
|---|--|----------------------------------|
| Size and nature of Order | The minimum size of an order may be different for each type of client account. An unusual order may be executed differently than a standard order. | High |
| Market Impact | Some factors, including the execution of a client's order, may impact the market. | Medium |
| Execution venue characteristics | The Company takes the venue's «Last look vs. no last look» execution into account, as well as the availability of tradable assets. «Last look» is when the venue may decide to not fill a trade at the last minute, and decide to therefore reject it, if the price becomes unfavorable. «No last look» is when the venue will fill a trade regardless if price is unfavorable or not. | Medium |
| Other factors relevant to execution of orders | Circumstantial. | Examined on a case-by-case basis |

The Company cannot guarantee that it will offer the absolute best prices available on the market at the time of the opening or closing of a CFD, as compared with the prices that may be found with other brokers at the same time and for the same products/services.

9. CONFLICTS OF INTEREST

9.1 The Company understands that it is not humanly possible to entirely eliminate all conflicts of interest. Therefore, to minimize the effects of any possible conflicts of interest, the Company has in place and adheres to adequate procedures that it has established. In the event that those arrangements are not sufficient to avoid or mitigate such a conflict, the Company shall disclose such conflict to the Client, before

undertaking further business with him. The list of possible conflicts of interest that may arise cannot be defined in a fully exhaustive list.

9.2 Both the Company and the Execution Venue «Or Capital Ltd.» partly share the same ownership. The Company acknowledges that payments from «Or Capital Ltd.» constitute a conflict of interest that is mitigated with the procedures and controls that are described in the [Conflict of Interest Policy](#). In addition, the Company will continuously strive for full minimization of the particular conflict, and is in the process of taking additional measures.

10. SPECIAL ARRANGEMENTS WITH EXECUTION VENUES

The Company maintains business arrangements with most of the execution venues relevant to credit and occasional discounts from time to time which are connected to volume.

11. USE OF DATA OR TOOLS

11.1 The Company uses automated electronic tools and systems, which provide for receiving the best bid/offer price at the time of execution («aggregation»). An aggregator that facilitates aggregation, seeks from several execution venues the most favorable bid/offer prices and combines them to provide a superior price to its clients.

11.2 The Company monitors and assesses the prices offered to clients against other reputable feed providers, on a periodic sampling basis. More specifically, execution times, slippage, spread, are continuously controlled on a sample basis, as is a frequent statistical analysis of non-executed orders. The volume executed in Liquidity providers is checked against the remaining Liquidity Providers.

12. CONSOLIDATED TAPE PROVIDER

The Consolidated Tape Provider («CTP»), is a recently established MiFID II requirement. CTPs will collect post-trade information published by trading venues and approved publication arrangements (APAs) and will consolidate them into a continuous live data stream and make the data available to the public, both for equity and non-equity products.

The Company has not used such an arrangement for the year under review.