

**MCA INTELIFUNDS LTD**

*Regulated by the Cyprus Securities and Exchange Commission License no. 126/10*

EXECUTION QUALITY SUMMARY STATEMENT – RTS 28

**2018**



FXORO is a brand name used by MCA Intelifunds Ltd which is authorized and regulated by the Cyprus Securities and Exchange Commission as a Cyprus Investment Firm (CIF) with License No. 126/10.

## Contents

<b>1. INTRODUCTION .....</b>	<b>3</b>
<b>2. SCOPE.....</b>	<b>3</b>
<b>3. RELATIVE IMPORTANCE OF EXECUTION FACTORS DURING THE YEAR UNDER REVIEW.....</b>	<b>3</b>
<b>4. EXECUTION VENUEW DURING THE YEAR UNDER REVIEW .....</b>	<b>5</b>
<b>5. CLOSE LINKS AND CONFLICTS OF INTEREST WITH RESPECT TO THE EXECUTION VENUES .....</b>	<b>6</b>
<b>6. PAYMENTS OR NON-MONETARY BENEFITS (MADE OR RECEIVED) TO/BY EXECUTIONS VENUES .....</b>	<b>6</b>
<b>7. TOOLS AND DATA USED DURING THE YEAR UNDER REVIEW.....</b>	<b>7</b>
<b>8. REVIEWS OF EXECUTION MONITORING – CONTROL FUNCTION .....</b>	<b>8</b>
<b>9. EXECUTION VENUES REPORT .....</b>	<b>8</b>

## **1. INTRODUCTION**

MCA INTELIFUNDS LTD, (hereinafter the company) trading as “FXORO”, is an investment firm regulated by the Cyprus Securities and Exchange Commission under license no. 126/10 and operates according to the Cyprus Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017)(hereinafter the “Law”).

This Document is issued pursuant to, and in compliance with the requirements of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“MiFID II”), the Law of the Republic of Cyprus No 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets which transposed MiFID II into Cyprus legislation and the Investment Services and Activities and Regulated Markets Law of the Republic of Cyprus Law No 144(I)/2007 to the extent it remains applicable after coming into force of MiFID II.

The Company through this document warrants its compliance with the Commission’s Delegated Regulation (EU) 2017/576 (“RTS 28”) in regards to the annual publication by investment firms of information on the identity of execution venues as well as on the quality of execution. Further to the above, the Company also complies with Section 9 of the Questions and Answers Document of the European Securities and Markets Authority (“ESMA”) issued on 11 October 2016 with reference ESMA/2016/1454, in regards to the provision of CFDs and other speculative products to retail investors.

Herein, we refer to all the aforesaid legislations, regulations and guidelines as “**Regulations**”.

## **2. SCOPE**

The aim of this document is to provide an outline of how the clients’ orders are executed and the aspects that might affect the order execution conduct.

Via this material, investors will be allowed to evaluate the efficiency of the monitoring carried out by the Company in regards to the execution provisions. Moreover, it will afford an explicit picture of the execution approaches and tools used to evaluate the quality of execution achieved.

The Company revises and amends this document on an annual basis. The information contained herein, should also be based on the data of the prior years.

## **3. RELATIVE IMPORTANCE OF EXECUTION FACTORS DURING THE YEAR UNDER REVIEW**

FXORO is taking all reasonable necessary steps to ensure that the best possible result is effected for its Clients. In addition to the extensive trading conditions which can be found in the company’s website, the company is taking into account the following non-exhaustive list of factors when executing clients’ orders.

Based on the conditions of the clients and the orders, you will find below the Execution features as well as their related significance:

Factor	Explanation	Importance
Price	The market price, based on which the order is executed. Clients can refer to the related sections in the <a href="#">Order Execution Policy</a> in order to be informed on how we set our prices.	High
Costs	For opening a position in some types of financial instruments the Client may be required to pay commission or financing fees, the amount of which is disclosed in the <a href="#">Trading Conditions</a> in FXORO's website. 1) Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount. 2) 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 on the financial instruments section in <a href="#">Trading Conditions</a> in FXORO's website. For all types of financial instruments that FXORO offers, the commission and financing fees are not incorporated into FXORO's quoted price and are instead charged/paid explicitly to the Client account.	High
Size	Size of trades depends on the type of instrument and the available funds before any requested order. Extensive list of available size of orders is preserved and available to the company's website under section <a href="#">Trading Conditions</a> .	High
Speed of Execution	FXORO acts as an agent and not as principal on the client's behalf, therefore, FXORO is the sole Execution Venue for the execution of the Client's orders for financial instruments. FXORO 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 more information please refer to the applicable section in our <a href="#">Order Execution Policy</a> .	High
Likelihood of execution and settlement	Although FXORO executes all orders placed by the clients, it reserves the right to decline an order of any type or to offer the Client a new price for "market order". In last case the Client can either accept or refuse the new price as explained in the agreement entered with the Client. In regards to the settlement, FXORO proceeds to a settlement of all transaction upon execution of such transactions. FXORO may not be able to execute the order at the best available price. Although the Company strives to execute all orders placed by the clients it reserves the right to decline an order or execute the order at the first available market price.	Medium
Market Impact	Some factors may affect rapidly the price of the underlying financial instruments from which the quoted FXORO price for financial instruments is derived. These factors may influence some of the factors listed above. FXORO will take all reasonable steps to obtain the best possible result for its clients.	Medium
Any other relevant factors	May differ depending on the conditions.	As applicable

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Trading FOREX/ CFDs involves considerable risk of loss of the entire investment. Read more

<http://www.fxoro.com>

FXORO attempts to provide the best possible execution after having taken into account the above factors. However, the Company is not able to safeguard that our offered prices will constantly be better than elsewhere. In addition to the above, the relative significance of the aforesaid factors can differ between different CFDs.

In regards to the Best Execution, the best possible result is determined in terms of the total consideration. Total consideration represents the price of the instrument and the costs associated to the execution of the order. It contains all expenses sustained by the client, which are directly connected to the execution of the order, such as venue execution fees, clearing and settlement fees. Moreover, the Company provides equal order execution requirements to all its clients.

During the year under review the Company offered services to the following categories of clients:

#### **Retail Clients**

For these clients, the Company by virtue of the applicable regulatory framework is required to provide best execution in accordance with total consideration whereby total consideration represents the price of the Financial Instrument and the costs related to execution, which include all expenses incurred by the client which 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, as applicable.

#### **Professional Clients (including per-se Professional and elective Professionals)**

The Company during the year under review did not maintain a business relationship with Clients that fall under this category. Nevertheless the Company has in place the appropriate execution arrangements to offer services to such clients. The Company places emphasis on price and execution costs aligning its execution arrangements for these clients as those applicable to Retail.

### **4. EXECUTION VENUE DURING THE YEAR UNDER REVIEW**

The Company's execution venue(s) during the year under review were:

NO.	NAME OF EXECUTION VENUE	COUNTRY OF ESTABLISHMENT	COMMENCEMENT OF THE RELATIONSHIP WITH THE COMPANY	END DATE OF THE BUSSINESS RELATIONSHIP WITH THE COMPANY
1.	ORO CAPITAL MARKETS LIMITED	BELIZE	01/01/2016	05.11.2018
2.	MCA INTELIFUNDS LIMITED	CYPRUS	05.11.2018	N/A

## **5. CLOSE LINKS AND CONFLICTS OF INTEREST WITH RESPECT TO THE EXECUTION VENUES**

### **5.1 Close Links and commercial ownership compared with the Execution Venues used**

Execution Venues denotes a regulated market or a multilateral trading facility (MTF) or a Systematic Internaliser(SI) or a market maker or another liquidity provider or an entity executing in a third country a function identical to any of the aforesaid, with which the Company places client's orders for execution or to which it transfers orders for execution.

MCA Intelifunds Limited following the termination of the business relationship with ORO CAPITAL MARKETS LIMITED, now acts as the principal on all clients trades, which means that it acts as the sole execution venue.

### **5.2 Conflicts of interest**

The Company pursues to handle conflicts of interest adequately at all times.

Consequently, FXORO has taken the following measures in order to handle any indicative areas of conflicts of interest:

- We have introduced an Order Execution Policy that sets out our obligations in delivering Best Execution to our clients.
- Best Execution is the process by which FXORO seeks to obtain the best possible result when executing client orders.
- Generally, Best Execution is determined on the basis of the total consideration paid to or by the client, unless the objective of execution of the order dictates otherwise.
- Prices quoted for CFDs are based on the published prices of underlying instruments on the regulated exchanges where such instruments are regularly traded or, with respect to Foreign Exchange, based on the aggregation of prices received from global Price Feeders and other Liquidity Providers.
- We disclose our Spreads and charges on our trading platform and Trading Conditions.
- Our marketing communication is developed on the basis of being fair, clear and not misleading to clients and is issued following approval by the Compliance department.
- We do not offer any form of investment advice and our disclaimers make this fact explicitly clear.
- Market research is performed on behalf of FXORO by 3rd parties who are segregated from our Dealing, Sales and Retention employees.

## **6. PAYMENTS OR NON-MONETARY BENEFITS (MADE OR RECEIVED) TO/BY EXECUTIONS VENUES**

During the year under review the Company's arrangements with its liquidity providers stipulated that the Company did not receive any monies or non-monetary benefits from the liquidity providers for the execution of Clients orders. The Company paid its liquidity providers a fee based on trading volume that did not create a conflict of interest.

The revenue generated by the Company was based on commissions paid by its Clients upon initiating a trading order. Following the termination of the business relationship with the liquidity provider and the adoption of full execution by the Company of the client's orders, the Company now enters into client trades as the liquidity provider, which means that the Company, may in some cases, based on its risk management model, maximize the allowed exposure per client per transaction per instrument, so as to maximize the revenue generated from the trading margin and activity.

The Company's costs and charges are listed on the Company's website.

## **7. TOOLS AND DATA USED DURING THE YEAR UNDER REVIEW.**

The Company during the year under review deployed a number of methodologies and tools in order to monitor, and where applicable adjust, its execution parameters in order to ensure consistency with its overarching obligation to offer the best possible result for its clients' orders. In broad terms the Company monitors on an ongoing basis its execution arrangements by selecting appropriate samples of orders executed and evaluates the samples in accordance to the following dimensions:

(a) Evaluating the Company's execution venues in accordance to the following:

- Pricing Frequency (price updates in real time);
- Speed of execution;
- Frequency and duration of price freezing;
- Depth of liquidity;
- Pricing transparency;
- Slippage frequency etc.

(b) Price Fairness by comparing independent prices relayed by independent market data providers with the prices quoted by its execution venues. For this purpose, the Company has subscribed to independent price aggregators.

(c) Technological prowess of Company systems (responsiveness of interface, lag, integration with the IT systems of the execution venues etc.).

## 8. REVIEWS OF EXECUTION MONITORING – CONTROL FUNCTION

The Company's brokerage department produces reports on a monthly basis with the evaluation process described above (please refer to Section 7) and if actions are required liaise with the Company's senior management for next steps.

The Company's control functions (Compliance and Internal Audit) scrutinize the monitoring procedure conducted by the brokerage department and the actions taken by the Company's senior management. The Company's control functions present their findings to the Company's Board of Directors at least annually, for further scrutiny and actions.

## 9. EXECUTION VENUES REPORT

The information presented below refers to the top five execution venues in terms of trading volumes used by the Company for executing the orders of Retail and Professional Clients. The information refers to the Asset Class of CFDs for the year 2018. You can refer also to the CVS file which is available on the Company's website and [here](#).

INFORMATION ON THE TOP FIVE (5) EXECUTIONS VENUES DURING THE YEAR 2018					
CLASS OF INSTRUMENTS		CONTRACT FOR DIFFERENCE (CFDs)			
TOP FIVE EXECUTION VENUES RANKED IN TERMS OF DRATING VOLUMES	PROPORTIONS OF VOLUME TRADED AS A PERCENTAGE IN TOTAL ON THAT CLASS	PROPORTIONS OF ORDERS EXECUTED AS A PERCENTAGE IN TOTAL ON THAT CLASS	PERCENTAGES OF PASSIVE <sup>1</sup> ORDERS	PERCENTAGES OF AGGRESSIVE <sup>2</sup> ORDERS	PERCENTAGES OF DIRECTED <sup>3</sup> ORDERS
ORO CAPITAL MARKETS LIMITED	100%	100%	100%	0%	0%
MCA INTELIFUNDS LIMITED FROM 05.11.2018	100%	100%	0%	100%	0%

<sup>1</sup> Passive Order means an order entered into the order book that provided liquidity;

<sup>2</sup> Aggressive Order means an order entered into the order book that took liquidity;

<sup>3</sup> Direct Order means an order where a specific execution venue was specified by the client prior to the execution of the order