



*CONTRACTS FOR DIFFERENCE*

**EXECUTION QUALITY SUMMARY STATEMENT  
(EQSS)  
for the year 2020**

Issue Date: 30th April 2021

## Table of Contents

1.	Company .....	1
2.	Scope of the document .....	1
3.	Relative Importance of Execution Factors during the Year Under Review .....	1
4.	Execution Venues during the Year Under Review .....	2
5.	Change of Execution Venues during the Year Under Review .....	3
6.	Conflicts of interest .....	3
7.	Payments or non-monetary benefits between the Company and its Execution Venues .....	3
8.	Data and Tools relating to the quality of Execution .....	4
9.	Ongoing Monitoring .....	4
10.	Execution Venues Report .....	5

## **1. Company**

**First Prudential Markets Ltd** (“the Company”) is authorised and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) as a Cyprus Investment Firm (“CIF”) to offer the services and activities under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time (“the Law”).

The Company’s CIF license number is 371/18, and was activated on 19<sup>th</sup> October 2018. The Company is registered in Cyprus under the Companies Law, with registration number HE 372179 and has its registered office at Griva Digeni, 109, Aigeo Court, 2<sup>nd</sup> floor, 3101, Limassol, Cyprus.

## **2. Scope of the document**

The Execution Quality Summary Statement (hereinafter “the EQSS”) is a statement that the Company is required to disclose to its clients under Commission Delegated Regulation (EU) 2017/576 of 8<sup>th</sup> of June 2016 (hereinafter “RTS 28”) supplementing Directive 2014/65/EU of the European Parliament and of the Council (hereinafter “MiFID II”), regarding regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.

The EQSS is a summary of the analysis and conclusions the Company drew from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders during the year 2020, covering a full year cycle (hereinafter “the Year Under Review”). The EQSS serves to inform the existing and/or potential Retail and/or Professional Clients about all sufficient steps taken by the Company to obtain the best possible result for its Clients (“best execution”) either when executing Client orders or receiving orders for execution in relation to financial instruments, in addition to those steps referred in the [Summary of Best Interests and Order Execution Policy](#) of the Company.

The Company urges its clients and/or potential clients to read the EQSS carefully as it discloses information on how the Company executes orders when operating under the STP model in relation to the Asset Class of CFDs.

The EQSS along with the accompanied tables will remain on the Company’s website for a minimum period of two (2) years, following their publication on the website.

## **3. Relative Importance of Execution Factors during the Year Under Review**

Under the relevant regulatory framework, the Company considers the following execution factors when assessing the quality of execution:

- a. Price;
- b. Cost;
- c. Speed of execution;

- d. Likelihood of execution;
- e. Likelihood of settlement;
- f. Size of order;
- g. Market impact;
- h. Nature of order.

For details on how each factor is assessed when executing clients' orders, please refer to the Company's [Summary of Best Interests and Order Execution Policy](#).

During the Year Under Review, the Company offered services to the following categories of clients:

**a. 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.

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

For these clients, the Company has in place appropriate execution arrangements, placing emphasis on price and execution costs, aligning its execution arrangements for such clients as those applicable to Retail clients (*as referred to in point (a) above*).

Note: Clients who as per the Company's "Client Categorisation Policy" are classified as Retail Clients and Professional Clients, fall under the scope of RTS 28, while Eligible Counterparties do not. During the Year Under Review, the Company did not establish any business relationship with any Eligible Counterparty.

**4. Execution Venues during the Year Under Review**

The Company during 2020 cooperated and routed orders to the execution venue(s) listed below:

No.	Name of the Execution Venue (LEI Number)	Country of Establishment	Commencement date of routing orders for execution	End date in the event of termination
1	<b>First Prudential Markets PTY Ltd</b> 549300F4C2XHG7FVT006	Australia	25/10/2018	-

In selecting an execution venue for the execution of a transaction, the Company takes into account the following in respect of the venue concerned:

- price
- cost of execution

- liquidity available for the financial instruments concerned
- speed of execution
- reliability of the venue
- continuity of trading
- creditworthiness – good standing of the venue
- quality of any related clearing and settlement facilities, and
- such other factors as we consider relevant to the application of the overarching principle.

The Company during the Year Under Review evaluated the pricing of various execution venues and it considers the pricing provided through the utilized execution venue during 2020, as competitive and in accordance to the best interest of its clients.

## **5. Change of Execution Venues during the Year Under Review**

During the year under review the Company did not make any changes in its execution venues.

However, recognizing the significance of executing client orders at the best possible terms for clients and considering that the trading activity on Company's platforms is expected to grow soon; the Company initiated on-boarding procedures with an additional Liquidity Provider / Execution Venue. Onboarding procedures are expected to be concluded during Q2 2021.

## **6. Conflicts of interest**

The Company maintains close links and common ownership structure with the execution venue used to execute client orders namely First Prudential Markets PTY Ltd established in Australia.

The Company implements and has in place sufficient measures to mitigate such conflicts. For additional information please refer to the "[Summary of Conflicts of Interests Policy](#)" accessible via the Company's website.

## **7. Payments or non-monetary benefits between the Company and its Execution Venues**

During the Year under Review the Company's arrangements with its liquidity providers stipulated that the Company does not receive any payments or non-monetary benefits from the liquidity provider for the execution of clients' orders. The Company pays its liquidity providers a fee based on trading volume that does not create a conflict of interest.

The Company adds a mark-up on the spread of the underlying CFD as received from its execution venues prior offering it to its Clients.

The quoted price includes any spread and/or margin above the price at which the Company may be able to transact in the market. We may take into account a number of factors in quoting a price, including the following:

- the risk that the Company assumes under the transaction;
- operational costs;

- counterparty, capital, and funding related costs;
- fees and costs that arise during the execution and lifetime of the transaction;
- the level of service provided to the Client;
- other factors specific to the Client, and
- any pre-agreed fee/spread charges.

The relative contribution of each of these factors may vary from transaction to transaction. It is the responsibility of the Client to determine whether or not to accept the quoted all-in price.

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

## **8. Data and Tools relating to the quality of Execution**

The Head of Brokerage Department of the Company employed during the Year Under Review, used a number of manual tools for the monitoring of data related to the quality of execution with particular attention paid to the below dimensions:

- a. Evaluating the execution venue(s) of the Company according to the following:
  - Pricing Frequency (price updates in real time);
  - Speed of execution;
  - Frequency and duration of price freezing;
  - Pricing transparency;
  - Slippage frequency etc.
- b. Price Fairness  
i.e. comparing independent prices relayed by all its execution venues and with other independent market data providers.
- c. Technological prowess of Company systems  
i.e. monitoring the responsiveness of Company's interface (e.g. lag, integration with the IT systems of the execution venues etc.).

## **9. Ongoing Monitoring**

The Company monitors the arrangements described in the EQSS in order to identify any deficiencies and to assess whether any changes need to be made. Ongoing monitoring comprises of monitoring of the performance of connected parties and other third parties to whom the Company engages for transmission and execution of Client orders.

The Company monitors on an ongoing basis its execution arrangements by checking the orders executed and evaluating them, taking into consideration the below:

- Any plugins installed on platforms;
- Price updates received from Liquidity Providers / Price Feeders and quoted pricing to Clients by the Company (ticks per minute, filters utilized etc.);

- Latency (speed of execution – time elapsed from the reception of a Client’s market order to its execution, or time elapsed of a pending order to be executed upon the relevant parameters of the order are met and therefore its execution is triggered/initiated);
- Price freezing or trading halts;
- Spreads widening and volatility of instruments;
- Any possibility of wrongly matched orders;
- Technology – connectivity of platforms with the execution venues via any intermediaries (i.e. technology providers / bridges);
- Slippage monitoring (where occurs to be balanced and reasonably justified) taking into consideration the number of trades that got slippage per side, the size of the order, the type of the order (pending/market), the underlying instrument’s volatility at the time slippage occurs (i.e. during news, or low liquidity periods).

The Company’s Brokerage Department is monitoring the above in coordination with the IT Department and reports to the Senior Management of the Company at least on a weekly basis.

Finally, the above monitoring procedure is under the review of the Control functions of the Company, namely the Compliance and Internal Audit functions which report directly to the Board of Directors of the Company their findings and recommendations on an annual basis at least.

## **10. Execution Venues Report**

The information presented below refers to the top five (5) execution venues in terms of trading volumes used by the Company for executing the orders of Retail and / or Professional Clients, under the STP model. The information refers to the Asset Class of CFDs for the year 2020.

**Table 1: Retail Clients**

Class of Instrument	Contracts for difference (CFDs)				
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
First Prudential Markets PTY Ltd 549300F4C2XHG7FVT006	100%	100%	0	100%	0

**Table 2: Professional Clients**

Class of Instrument	Contracts for difference (CFDs)				
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
<b>First Prudential Markets PTY Ltd</b> 549300F4C2XHG7FVT006	100%	100%	0	100%	0



