



**Execution Quality – Summary Statement
For the Year 2020
RTS28**

1. INTRODUCTION

ETFinance is owned and operated by Magnum FX (Cyprus) Limited (the “**Company**” or “**ETFinance**”), a Cyprus Investment Firm with registration number HE360548 and Regulated by the Cyprus Securities and Exchange Commission (the “**CySEC**”) with license number 359/18. The Company’s registered office is at KPMG Center, 1 Agias Fylaxeos Street, 2nd floor Office 1, 3025, Limassol, Cyprus.

2. PURPOSE

The Execution Quality Summary Statement (the “**RTS28**” or “**Statement**”) has been prepared by the Company, under the obligation of Article 28(6) of the Law 87(I)/2017 and the Commission Delegated Regulation (EU) 2017/576 with regards to the technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.

A summary of the analysis as well as the conclusions drawn by the Company for the reporting year ending **31 December 2020** (the “**year under review**”) in relation to its monitoring of the quality of execution obtained from the execution venues where it executed all clients’ orders is included within the Statement. In addition, the Statement provides a description of the Company’s order execution arrangements and monitoring methodologies used for the assessment of the quality obtained as further explained within the Company’s Order Execution Policy (the “**OEP**”).

The Company’s clients and potential clients are urged to carefully read the Statement as it contains information on how the Company executes orders to various execution venues when operating under the Straight Through Processing (the “**STP**”) model in relation to Contracts for Difference (the “**CFDs**”). In the instance where you have any questions in relation to the provisions of the OEP or the Statement, you are kindly requested to contact as at info@magnumfx.eu

3. ORDER EXECUTION ARRANGEMENTS

The Company executes clients’ orders in relation to CFDs across a range of underlying asset classes such as stocks, commodities, indices, currency pairs, virtual currencies and precious metals. In addition, it shall be emphasized that during the year under review:

- No transactions in Securities Financing Transactions (“**SFTs**”) were executed;
- No output of consolidated tape providers was used; and
- No other criteria were given precedence over immediate price and cost when executing retail client orders.

3.1 **Best Execution Criteria:**

When executing clients’ order, the Company takes into consideration the following criteria for determining the relevant importance of the execution factors, as analyzed in detail below:

- The characteristics of the client, including his/her categorization as Retail or Professional;
- The characteristics of the client order;
- The characteristics of the Financial Instruments that are the subject of that order;
- The characteristics of the execution venues to which that order can be directed.

Please be informed that *Execution Venues* are the liquidity providers with which the Company collaborates for the execution of orders. It is noted that for the purposes of orders in CFDs, the Company acts as an agent on clients' behalf and not as a principal.

3.2 Best Execution Factors:

The Company, when executing clients' orders is required under the applicable legal framework to assign a relative importance on the below execution factors:

- (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; and
- (i) Any other consideration relevant to the execution of the order.

The relative importance assigned to each of the abovementioned execution factors as well as general information is presented the below table

Price – High Importance

The Company quotes a two – way price for each CFD offered. This two-way price consists of a Bid (lower price which is the price at which a client may “Sell” the CFD) and an Ask the higher price which is the price at which a client may “Buy” the CFD).

Costs – High Importance

The Company takes all reasonable steps to keep the costs of the transactions as low and competitive, to the extent possible. The full list of costs and charges relevant to clients' transactions and their calculation methodology is available in the Company's websites and Key Information Document per asset class.

Speed of Execution – High Importance

The Company aims to offer the highest speed of execution within the restraints of technology and communications means.

Likelihood of Execution –High Importance

Since the Company is acting as an agent, likelihood of execution depends on the availability of prices of other market makers/financial institutions. In addition, even though the Company reserves the right to decline an order, it aims to execute all clients' orders to the extent possible.

Likelihood of Settlement – Medium Importance

The CFDs offered by the Company do not include the physical delivery of the underlying asset, therefore, there is no physical settlement. All transactions are settled in cash upon their execution.

Size of order – Low Importance

The actual minimum size of an order is different for each type of account. A lot is a unit measuring the transaction amount and it differs for each type of CFD. The Company reserves the right to decline an order as explained in the agreement entered with the client.

Market impact – Medium Importance

The Company will take all sufficient steps to obtain the best possible result for its clients even in the cases where certain factors may affect the underlying instrument's price from which the quoted price of the Company is derived, or other factors listed in the OEP.

Irrespective of whether the Company considers the characteristics of the clients, including their categorization as Retail or Professional, it does not assign different relative importance when executes client orders. In this respect the Company has assigned the relative importance to the best execution factors, for both Retail and Professional clients.

It is further clarified that no other criteria were given precedence over immediate price and cost when executing retail client orders during the year under review.

3.3 List of Execution Venues:

The Company's Execution Venues during the Year under review were the following:

TABLE 1: LIST OF EXECUTION VENUES

No.	Name of Execution Venue	Country/Competent Authority	LEI Number
1	CTRL Investments LTD	New Zealand & Australia	549300F6G2V8LLZ9IU79
2	OBR Investments Limited	Cyprus	213800WYGKF2K3TGPT48

With reference to the OBR Investments Limited it is noted that during the year under review, no orders have been executed by the relevant execution venue.

Although the Company did not terminate any of its current arrangements with its Execution Venues or did not entered any new relationship with Execution Venue during the year under review, when selecting a new Execution Venue, it considers the following factors:

- Reliability of the venue
- Price
- Credit worthiness of the venue
- Liquidity available for the financial instrument concerned.
- Speed of execution
- Continuity of trading
- Cost of execution
- Quality of any related clearing and settlement facilities.

4. CONFLICTS OF INTEREST & OTHER ARRANGEMENTS

The Company is taking all reasonable steps to detect and avoid conflicts of interest, which may arise during the course of its normal business of activities. The Company is committed to acting honestly, fairly and professionally and in the best interests of its clients and to complying, in particular, with the principles set out in the relevant legislation when providing investment services and other ancillary services related to such services. The Company's Conflict of Interest Policy, available on its website, identifies circumstances which may give rise to a conflict of interest as well as, the procedures, practices and controls in place to prevent this.

It is noted that the Company does not maintain close links and/or common ownership structures with any of the execution venues listed in **Table 1** above. The Company during the year under review neither paid nor received any rebates or non-monetary benefits to and/or from any of its liquidity providers, apart from the fees set in the agreement between the Company and its execution venue.

There are no specific arrangements in place with the execution venue used (apart from the fixed fees which are paid to the LP for the provision of its services), regarding payments made or received, discounts, rebates or other non-monetary benefits. The Company generates its revenues from commission received by the Liquidity Provider used for the execution of clients' orders.

5. BEST EXECUTION MONITORING PROCEDURES

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. The Company did not use a specialized monitoring tool for the monitoring of the order execution factors and the monitoring was performed manually. However, as at the date of publication of the report, the Company has been engaged with a third-party service provider for the monitoring of the quality of execution. The monitoring of the Company's order execution monitoring covers the following assessment checks:

- Price Fairness/Transparency: Comparing independent prices relayed by independent market data providers with the prices quoted by its execution venues, as well as comparing prices between execution venues not listed in the company's execution venues list.
- Speed of execution: Randomly monitors the order requested time and order filled time.
- Frequency and duration of price freezing: The Company has tools in place to monitor price freeze/no quotes.
- Slippage: In terms of number of orders and value of orders for which it identified positive, negative or neutral slippage etc.

6. REVIEWS OF EXECUTION MONITORING CONTROL FUNCTION

The Company's Dealing Room Department produces reports on a daily, weekly and monthly basis with the evaluation process described above and if actions are required, the Dealing Room Department is responsible to liaise with the Compliance Function and the Senior Management. The Company's control



functions (i.e. Compliance and Internal Audit) scrutinize the monitoring procedures 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.

The Company's control team carries out frequent monitoring of the transactions through the use a third-party surveillance system. The OEP is reviewed at least an annual basis and the Company has a dialogue with the relevant execution venues and, where appropriate, will propose changes to processes to correct any potential deficiencies.

Table 2: Retail Clients

Class of Instrument	Contracts for difference				
Notification if < 1 average trade per business day in the previous year	N				
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
CTRL Investments LTD- 549300F6G2V8LLZ9IU79	100%	100%	N/A	100%	N/A

Table 3: Professional Clients

Class of Instrument	Contracts for difference				
Notification if < 1 average trade per business day in the previous year	N				
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
CTRL Investments LTD- 549300F6G2V8LLZ9IU79	100%	100%	N/A	100%	N/A