

**Execution Quality Summary Statement (EQSS) presenting  
information on the quality  
of execution obtained for client orders in 2020  
(BEST EXECUTION REPORT)**

Approver(s):	Board of Directors
Owner(s):	ARUMPRO CAPITAL LIMITED
Contact Person:	Chief Executive Officer
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*In accordance to the Regulatory Technical Standard 28 for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution, the Company shall publish for each class of financial instruments, a summary of the analysis and conclusions that were drawn from the detailed monitoring of the quality of execution obtained on the execution venues where the Company executed all client orders during 2020. In this respect, please find below a summary of our analysis per aspect required.*

**About ARUMPRO CAPITAL LIMITED**

'ARUMPRO CAPITAL LIMITED' (hereinafter "ARUM CAPITAL" or "the Company") is a Cyprus Investment Company incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 352951. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (hereinafter the "CySEC") under the license number 323/17 and operates under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2017, Law 87(I)/2017, as subsequently amended from time to time (the Law). The Company's office is located at 2 Gregory Afxentiou, 2<sup>nd</sup> floor, Office 201, Limassol, 4003, Cyprus.

Its operational model is an STP model, it transmits clients' orders for execution to an execution venue.

Arum Capital is committed to continuously obtain the best possible outcome for client orders. It is essential for the Company to enable clients and the public to evaluate the quality of the Company's execution practices and to identify the top five (or less, if five are not applicable) execution venues where client orders are executed in terms of trading volumes. ARUM CAPITAL monitors the effectiveness of the order execution arrangements and regularly assess whether the Company's available execution venues continue to provide the best possible results for client orders.

**2. Purpose**

This Document which is called 'Execution Quality Summary Statement' (hereinafter the "EQSS") sets out the 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 (the year under review).

The purpose of this Document is to ensure the Company's compliance with the Commission's Delegated Regulation (EU) 2017/576 ('RTS 28') as well as Section 9 of the Questions and Answers Document of the European Securities and Markets Authority ('ESMA') issued on October 11, 2016, with reference ESMA/2016/1454 with respect to the provision of CFDs and other speculative products to retail investors.

In this Document, we collectively refer to all above legislations, regulations and guidelines as 'Regulations'.

This Document shall be reviewed and accordingly updated on an annual basis and shall reflect the data of the previous year.

**3. Scope**

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 May 15, 2014, on Markets in Financial Instruments ('MiFID II') and the Investment Services and Activities and Regulated Markets Law of 2017, Law 87(I)/2017.

For a detailed breakdown of the asset classes for which the company owes a duty of best execution, please refer to the Order Execution Policy.

**4. Best Execution Factors and Criteria**

The Company takes all sufficient steps to act in the best interest of its clients when executing clients' orders and obtain the best possible result for clients taking into account the following factors when dealing with clients' orders: price, cost, speed, likelihood of execution and settlement, size, market impact and/or any other consideration relevant to the execution of an order. The Company does not consider the above list exhaustive.

The Company when executing clients' orders is required under the relevant regulatory framework to assign a relative importance on the following execution factors:

**a) Price**

The Company's price for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third-party external reference sources. The Company's prices can be found on the Company's website or trading platform. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews and has reviewed its third-party external reference sources from time to time to ensure that the data obtained continues to remain competitive. The Company has not and will not quote any prices outside the Company's operations time therefore no orders can be placed by the client during that time. Certain ex-ante and ex-post quality checks are conducted by the Company to ensure that prices obtained and subsequently passed on to clients remain competitive. Such checks include, but are not limited to, reviewing system settings/parameters, comparing prices with reputable prices sources, ensuring symmetry of spread and checking the speed of price updating.

**b) Cost**

Cost is an important factor when executing clients' orders. In order to keep the costs low, we source the best available prices from our liquidity providers. For opening a position in some types of CFDs the client may be required to pay commission and/or financing fees, the amount of which is disclosed on the Company's website and/or trading platform. Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amounts. In case of financing fees, the value of opened positions in some types of CFDs is increased or

reduced by a daily financing fee "swap rate" throughout the life of contract. Details of daily financing fees applied are available on the Company's website and/or trading platform.

**c) Speed of Execution**

The Company places a significant importance when executing clients' orders and strives to offer high speed of execution within the limitations of technology and communication links. The current average execution speed is 10.47 milliseconds. The Company conducts quality checks in order to maintain the provision of the best possible speed of execution of orders. In addition, the relevant department generates monthly reports and reviews on ad hoc and ex post basis the speed of execution and related conditions such as slippage, in order to monitor the quality and take corrective measures if necessary.

The use of wireless connection or dial-up connection or any other form of unstable connection at the client's end, may result in poor or interrupted connectivity or lack of signal strength causing delays in the transmission of data between the client and the Company when using the Company's electronic trading platform. This may result in the placement of the client's order at an out of date price, which the Company might decline and provide the client with a new quote (i.e. re-quoting).

**d) Likelihood of Execution**

In some cases it may not be possible to arrange an Order for Execution, for example but not limited to, following cases: during news times, trading session start moments, during volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price, a force majeure event has occurred. In the event that the Company is unable to proceed with an order with regard to price or size or other reason, the order will not be executed or will be executed only partially.

For the Straight Through Processing (STP) model of the Company, the likelihood of execution depends on the pricing and available liquidity of the execution venues.

Although the Company strives to execute all orders placed by the clients, it reserves the right to decline an order of any type or execute the order at the first available market price.

**e) Size of Order**

All orders are placed in lot sizes. A lot is a unit measuring the transaction amount and it is different for each Financial Instrument. Details of the lot sizes are available on the Contract Specifications in the Company's website. Although there is no maximum order size that the client can place with the Company, the Company reserves the right to decline an order as explained in the agreement entered into with the client.

The Company makes every effort to fill the order of the client irrespective of the volume. But, if this is achieved, it may be at the best available price as the market liquidity may allow at the time of execution.

**f) Market Impact**

Some market factors may affect rapidly the Company's quoted price of the financial instruments. These factors may, in turn, affect some of the other execution factors listed above. The Company takes all sufficient steps to obtain the best possible result for its clients.

For further details on how each factor is assessed ex ante when executing clients' orders, please refer to the Company's Order Execution Policy.

Where the client provides the Company with a specific instruction in relation to his/her order or any part of it, including selection of execution venues, the Company will execute that order in accordance with those specific instructions and, in doing so, it shall comply with its obligations to provide the best possible results to the extent that those instructions are followed.

**5. Close links, conflicts of interests and common ownerships with respect to execution venues**

Execution venues are the entities with which the orders are placed or to which the Company transmits clients' orders for execution. For the purposes of the orders submitted to the Company by the client, as mentioned above, the Company acts as Principal on the client's behalf at all times. Even where the Company transmits the orders for execution to third party liquidity providers, the Company remains the sole counterparty to clients' trades. Should the client decide to open a position in a financial instrument with the Company, then that open position may only be closed with the Company. The Company implements and has in place sufficient measures to manage and/or mitigate such conflicts.

For further information please refer to the Company's Conflict of Interest Policy.

**6. Payments or non-monetary benefits between the Company and its execution venues**

The Company is the sole execution venue for the execution of the clients' orders and, therefore, it does not have any specific arrangement with other execution venues regarding payments, discounts, rebates or other non-monetary benefits.

**7. Changes in the list of execution venues**

The Company in order to accelerate its best execution, and for the best interest of its clients, has proceeded to business relationship with the following liquidity providers the year under review:

Name of Execution Venue	Country of Origin	Regulatory Authority
LMAX Exchange	The United Kingdom	The Financial Conduct Authority ('FCA')
SwissQuote Bank Ltd	Switzerland	The Financial Market Supervisory Authority ('FINMA')

**8. Client categorisation and order execution**

Clients who as per the 'Client Categorisation Policy' were classified as Retail Clients and Professional Clients are falling under the scope of the aforesaid Regulations, while Eligible Counterparties do not as per the abovementioned Policy.

The order execution does not differ according to the client categorization and does not treat two categories of the clients differently, i.e. Retail and Professional Clients.

**9. Other criteria that were given precedence over immediate price and cost when executing Retail Client orders**

When the client gives a specific instruction on an order, the Company will execute the order following such instructions and this may prevent the Company from implementing the best possible results for its clients in accordance with the relative importance of the execution factors. In such circumstances, the Company executes the order in accordance with that specific instruction.

Nevertheless, if the client provides a specific instruction then by executing that order the Company will be complying with its duty to provide the client with the best execution.

**10. Use of data and tools relating to the quality of the execution**

The Company monitored the effectiveness of its 'Order Execution Policy' during the year under review and relevant order execution arrangements in order to identify and implement where necessary the appropriate measures. The Company reviews its order execution arrangements on an ongoing basis by selecting appropriate samples of orders executed and evaluating samples as described below:

a) Evaluation of Execution Quality:

- Price Latency
- Speed Execution
- Frequency and Duration of Price Freezing
- Depth of Liquidity
- Price Transparency

- Re-quotes
- b) Comparing prices relayed by price feed providers with prices quoted by the Company;
- c) Monitoring slippage on a regular basis to identify whether it is asymmetric or not;
- d) Monitoring IT infrastructure (responsiveness of interfaces used, adequate integration with data, etc.).

The Company's control functions (compliance function and internal audit) scrutinize the monitoring procedure and the actions taken by the Company's Senior Management. The Company's control functions present any findings to the Company's Board of Directors, at least annually, for further actions that may be necessary to be implemented.

### **11. Use of output of a consolidated tape provider**

The Company does not use output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU of 2020.

### **12. The information on top five (5) Company's execution venues**

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 Clients and Professional Clients. The information refers to the asset class of Contracts for Differences (CFDs) for the year 2020.

Based on Annex II of the Commission Delegated Regulation (EU) 2017/576:

<i>Table 1</i>									
<b>Information on the top five (5) executive venues during 2020 for ALL CLIENTS</b>									
Class of Instrument	<b>Contracts for Differences (CFDs)</b>								
Top five execution venues ranked in terms of trading volumes	Orders executed as percentage of total in that class	Perc. of passive orders	Perc. of aggressive orders	Perc. of directed orders	Perc. of "slipped" orders	Perc. of positively "slipped" prders	Perc. of negatively "slipped" orders	Perc. of orders executed within 20 ms	Volume processed to LP's
LMAX	45.31%	2.21%	43.10%	0%	18.14%	6.27%	11.87%	44.76%	45.69%
SWISSQUOTE	54.69%	5.10%	49.59%	0%	19.75%	11.42%	8.33%	53.89%	54.31%
TOTAL	100%	7.31%	92.69%	0%	37.89%	17.69%	20.20%	98.65%	100%

<i>Table 2</i>									
<b>Information on the top five (5) executive venues during 2020 for PROFESSIONAL CLIENTS</b>									
Class of Instrument	<b>Contracts for Differences (CFDs)</b>								
Top five execution venues ranked in terms of trading volumes	Orders executed as percentage of total in that class	Perc. of passive orders	Perc. of aggressive orders	Perc. of directed orders	Perc. of "slipped" orders	Perc. of positively "slipped" prders	Perc. of negatively "slipped" orders	Perc. of orders executed within 20 ms	Volume processed to LP's
LMAX	38.87%	1.76%	37.12%	0%	14.83%	5.14%	9.69%	38.70%	35.61%
SWISSQUOTE	54.69%	5.10%	49.59%	0%	19.75%	11.42%	8.33%	53.89%	54.31%
TOTAL	93.56%	6.86%	86.71%	0%	34.58%	16.56%	18.02%	92.59%	89.92%

<i>Table 3</i>									
<b>Information on the top five (5) executive venues during 2020 for RETAIL CLIENTS</b>									
Class of Instrument	<b>Contracts for Differences (CFDs)</b>								
Top five execution venues ranked in terms of trading volumes	Orders executed as percentage of total in that class	Perc. of passive orders	Perc. of aggressive orders	Perc. of directed orders	Perc. of "slipped" orders	Perc. of positively "slipped" prders	Perc. of negatively "slipped" orders	Perc. of orders executed within 20 ms	Volume processed to LP's
LMAX	6.44%	0.45%	5.98%	0%	3.31%	1.13%	2.18%	6.06%	10.08%
SWISSQUOTE	0%	0%	0%	0%	0%	0%	0%	0%	0%
TOTAL	6.44%	0.45%	5.98%	0%	3.31%	1.13%	2.18%	6.06%	10.08%





## Execution Quality Summary Statement of 2020

For further information, please refer to the Company's 'Order Execution Policy' and Company's RTS 28 for 2020.