

BDSwiss Holding Plc

Regulated by the Cyprus Securities and Exchange Commission (CySEC),
License Number 199/13

BEST INTEREST & ORDER EXECUTION POLICY

1. Introduction

BDSwiss Holding PLC (hereafter “the Company”) is a Cyprus Investment Firm (hereafter ‘CIF’) which operates as broker. The Company is incorporated in the Republic of Cyprus through the Department of Registrar of Companies and Official receiver (Certificate of Incorporation No. HE300153) and is authorized and regulated by the Cyprus Securities and Exchange Commission (hereafter “CySec”) with License Number 199/13 and operates in compliance with the European Markets in Financial Instruments Directive (MiFiD) and the Cyprus Investment Services and Activities regulated Markets Law of 2007 (Law 144(I)/2007).

2. Legal Framework

Following the implementation of the Markets in Financial Instruments Directive (MiFiD) in the European Union and in accordance with the Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007) issued by CySec, the Company must establish and implement a Best Interest & Order Execution Policy (hereafter the “Policy”) to allow the Company to obtain for its Clients’ orders, the best possible result when executing trading orders on behalf of its clients.

Under the above legislation, the Company is required to take all reasonable steps to act in the best interests of its Clients when receiving and transmitting Client orders and to achieve the best execution results when executing Client Orders taking into account the price, costs, speed, likelihood of execution, size, nature or any other consideration relevant to the execution of the order.

Accordingly, the Company proceeded to the establishment and maintenance of this Best Interest & Order Execution Policy in order to ensure compliance with its obligation to execute orders on terms most favourable to the clients and to achieve the best possible results for its clients, taking into consideration its clients’ ability, needs and trading policies, where applicable and possible.

3. Scope and Purpose

This Policy applies to both Retail and Professional clients (as defined in the Company’s Client Categorization Policy). Hence, if the Company classifies a Client as an Eligible counterparty or if the Client provides a specific instruction for the execution of the order, this Policy does not apply to that Client.

This Policy applies when the Company provides the investment services of reception and transmission of orders in relation to one or more financial instruments and/or when executing of orders on behalf of clients including Cryptocurrencies on behalf of retail and professional clients. The financial instruments provided by the Company are Binary Options, Forex and Contracts for Difference (CFDs) of an underlying asset and it is up to the Company’s discretion

to decide which types of financial instruments to make available and publish the prices at which these can be traded in line with the prices received by its Liquidity Provider/Execution Venue. The Company offers also other services in Cryptocurrencies.

The Company is always acting as an agent on behalf of its Clients; therefore if the Client decides to open a position on the Company's platform, then that open position can only be closed/executed on the Company's platform with that Execution Venue.

The purpose of this Policy is to establish effective arrangements for obtaining, when the Company is executing clients' orders, the best possible result for its clients.

Accordingly, this Policy aims to set out those arrangements and outline the process that the Company follows in executing trades, and assures taking all reasonable steps to consistently obtain the best possible result for clients through its order execution policy. It is noted however that when executing an order following a specific client instruction, the Company will execute the order in line with those instructions and will consider that it has discharged its best execution obligations.

4. Best Execution Factors

The Company, when executing Clients' orders against the Company's quoted prices as provided by its Liquidity Provider(s)/Execution Venue, shall take into account the following execution factors in order to obtain the best possible result for its Clients (provided that there are no specific instructions from the Client to the Company about the way of execution of the orders):

- Price
- Costs or commissions
- Speed and likelihood of execution and settlement
- Size and nature of the order
- Market conditions and variations
- Execution capability
- Any other direct consideration relevant to the execution of the order

4.1 Price

The Company's price for a given Financial Instrument is calculated by reference to the price of the relevant underlying instrument which the Company obtains from the third party Liquidity Provider. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company will not quote any price outside Company's operations times or outside specific CFD trading times as published on the Company's website, therefore no orders can be placed by the Client during that time. The Company does not guarantee that when transmitting a Client Order for

execution to the Execution Venue that the Company's price will be the most favourable for the Client than one which might be available elsewhere. The main way in which the

Company ensures that the Client receives the best execution price is to ensure that the price calculation is made by the Liquidity Provider(s)/ Execution Venue with reference to a range of external data sources and independent price providers. The Company reviews its Liquidity Provider(s)/Execution Venues external reference sources at least once a year to ensure that correct and competitive pricing is offered.

(a) For clients who trade in Binary Options:

PUT/CALL Button: The price for any given Binary Option is calculated by reference to the price of the relevant underlying asset which the Company obtains by the Liquidity Provider(s)/Execution Venue. The prices can be found on the Company's website or trading platform(s) and the Company will quote the potential profit or loss, as offered by the Liquidity Provider/Execution Venue, before opening the position. A Call Option expects rising prices, while a Put Option expects falling prices. At the selected expiration time, it will be automatically checked if your prediction of the market was correct. The actual price at the time of the expiry will be taken and compared with the price of the asset when the option was opened. If the client's prediction was correct the Client will receive the initial investment plus the agreed upon payout. An incorrect prediction leads to the loss of the initial investment. In the event, that the opening and expiry prices are the same, the initial investment will be refunded.

All orders in Binary Options are executed as Market Orders; i.e. at the best available market price. Therefore, the execution/target price as well as the closing/expiry price of orders in Binary Options can take a value between the PUT and the CALL price of the underlying reference price at the time of execution or expiration of the Binary Option.

(b) For Clients who trade in FX & CFDs including cryptocurrencies:

BID/ASK Spread: For any given FX and CFD, the Company will quote two prices as offered by the Liquidity Provider(s)/Execution Venue: the higher price (ASK) at which the Client can buy (go long) that FX and CFD, and the lower price (BID) at which the Client can sell (go short) that FX and CFD; collectively, the ASK and BID prices are referred to as the Company's price. The difference between the lower and the higher price of a given FX and CFD is the spread. Such orders as "Buy Limit", "Buy Stop" and "Stop Loss", "Take Profit" for opened short position are executed at ASK price. Such orders as "Sell Limit", "Sell Stop" and "Stop Loss", "Take Profit" for opened long position are executed at BID price. The Company's price for a given FX and CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains by the Liquidity Provider(s)/ Execution Venue. The prices can be found on the Company's website or trading platform(s).

If the price reaches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop, these orders are instantly executed. However, under certain trading conditions it may be impossible to execute Orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop) at the Client's requested price. In this case, the Company has the right to execute the order at the first available price.

4.2 Costs

When the Client opens a position in some types of Financial Instruments the Client may be required to pay commission or financing fees. If applicable, these amounts are disclosed on the Company's Website.

- (a) Commissions:** Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amounts.
- (b) Financing Fee:** 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 called "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 Company's website and/or trading platform.

For all types of Financial Instruments that the Company offers, the commission and financing fees are not incorporated into the Company's quoted price and are instead charged explicitly to the Client trading account.

4.3 Speed of Execution

The Company does not execute the Client Order in Binary Options, FX and CFDs as a principal to principal against the Client, i.e. the Company is not the Execution Venue (as defined in Commission Directive 2006/70/EC implementing MiFID) for the execution of the Client's Order. However, the Company places a significant importance when executing Client's Orders and strives to offer high speed of execution within the limitations of technology and communication links.

The frequency with which the Client Orders are being transacted and the frequency with which the tradable prices are distributed via the Company's trading platform/terminal varies with different financial instruments and market conditions. The technology used by the Client to communicate with the Company plays a crucial role. The use of a 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 thereby causing delays in the transmission of data between the Client and the Company when using the Company's trading platform/ terminal. As a result, the Client Order might be placed at a delay and the Order to

be executed at better or worst prevailing market price offered by the Company via its platform/ terminal.

4.4 Nature of Orders

The particular nature of an Order depends on the Financial Instrument to be selected by the Client and can affect the execution of the Client's Order. The value of the option is mainly depended on the volatility of the underlying instrument, the set time of option expiration and the risk management to be selected by the client.

The Client is given the option to place Orders for execution with the Company in one of the following ways:

- (a)** The Client places a "Market Order" which is an order instantly executed against a price that the Company has provided from the Execution Venue. Occasionally, if the market has moved while the Client is placing the Market Order, the Order might be executed at the first available price or it may not be executed at all. The Client may modify a Market Order so as to attach a "Stop Loss" and/or "Take Profit". "Stop Loss" is an order to limit Client's loss, whereas "Take Profit" is an order to limit Client's profit.
- (b)** The Client places a "Pending Order", which is an order to be executed at a later time at the price that the Client specifies. The Company will monitor the Pending Order and when the price provided by the Execution Venue reaches the price specified by the Client, the Pending Order will automatically become a Market Order. The following types of Pending Orders are available: "Buy Limit", "Buy Stop", "Sell Limit" and "Sell Stop". The Client may attach to any pending order a "Stop Loss" and/or "Take Profit". The Client may modify an order before it is executed. The minimum level for placing "Stop Loss", "Take Profit", "Buy Limit", "Buy Stop", "Sell Limit" and "Sell Stop" orders is between 1 to 5 times the spread for a given Financial Instrument, in accordance with the Contracts Specifications available on the Company's website. The Client has no right to change or remove "Stop Loss", "Take Profit" and "Pending Orders" if the price has reached the level of the order execution.

4.5 Likelihood of Execution

According to the provisions of Section 6 of this Policy, the Company is not the Execution Venue for the execution of Clients' Orders. When the Company transmits Client Orders for execution to the Execution Venue, execution may sometimes be difficult. The Company relies on the Execution Venue(s) of the Liquidity Provider for prices and available liquidity, therefore execution of the Client Orders will depend on the availability of prices and available liquidity of the said provider(s). Although the Company accepts and executes all Orders placed by the Clients, it reserves the right, at any time and at its discretion, to decline or refuse to arrange for the execution of an order of any type in circumstances explained in the Client Agreement/General Terms and Conditions.

The Company strives to provide the best possible price to its Clients and seeks to provide Client Orders with the fastest execution reasonably possible however, it may be impossible to guarantee the execution of any or all of the pending orders at the declared price. Orders: Market Order, Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop on Financial Instruments offered by the Company are executed at the declared by the Client price on the first current price touch.

Nonetheless, it should be noted that during certain trading conditions or abnormal market conditions, it may not be possible to execute orders on any Financial Instrument at the declared price and thus the price at which a trade is executed at may vary significantly from the original requested price. In this case the Company has the right to execute the Client Order at the first available price. This may occur, for example, at the following cases:

- (a) During market opening,
- (b) During trading Session start moments / opening gaps,
- (c) During news times,
- (d) During volatile markets where prices may move significantly up or down and away from declared prices,
- (e) Where there is rapid price movement, if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange, trading is suspended or restricted,
- (f) If there is insufficient liquidity for the execution of the specific volume at the declared price.
- (g) A Force Majeure event (as defined in the Client Agreement) has occurred.

If the Client undertakes transactions on an electronic system, the Client will be exposed to risks associated with the system including the failure of hardware and software (Internet / Servers). The result of any system failure may result to Client order either not executed according to Client instructions or not executed at all. The Company does not accept any liability in the case of such a failure.

4.6 Likelihood of Settlement

The Company shall proceed with the settlement of all transactions upon the execution and/or time of expiration of the specific transaction.

4.7 Size of Order

(a) For Clients who trade in Binary Options:

All Client Orders are placed in monetary value. The Client will be able to place his order as long as he has enough balance in his trading account. If the Client wishes to execute a large size order, in some cases the price may become less favourable considering the feed obtained from its price provider.

(b) For Clients who trade in FX and CFDs:

All Client Orders are placed with lot values. A lot is a unit measuring the transaction amount and it is different for each type of FX and CFD. Each lot value is determined by the financial instrument traded. To see full details please visit the Company's Website.

The Company reserves the right to decline an order, in case the size of the order is large and cannot be filled.

The Company makes every effort to fill the order of the Client irrespective of the volume. However, if this is achieved, it may be at the first available price, different from the Client declared price, as the market liquidity may allow at the time of execution (See section 4.5 for Likelihood of Execution).

4.8 Market Impact

Some factors, such as unusual market conditions, may affect rapidly the price of the underlying assets from which the Company's quoted price is derived and these factors may also influence other factors listed above. The Company will take all reasonable steps to obtain the best possible result for its Clients.

The Company does not consider the abovementioned list of execution factors to be exhaustive and the order in which the above factors are presented shall not be considered as made based on the priority of each factor.

Nevertheless, whenever there is a specific instruction from the Client the Company may be prevented from taking the steps it has designed and implemented to obtain the best possible result for the execution of those orders (Please see section 5 below for Client's Specific Instructions).

4.9 Best Execution Criteria

The Company will determine the relative importance of the above Best Execution Factors by using its commercial judgement and experience in light of the information available on the market and taking into account the criteria described below:

- The characteristics of the Client, including the Client Categorization
- 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.

The best possible result for a Client will be determined in terms of the total consideration, representing the price of the financial instruments and the costs related to execution, which

shall include all expenses incurred by the Client which are directly related to the execution of the order. The other best execution factors of speed, likelihood of execution size, nature or any other relevant consideration will, in most cases, be secondary to price and cost considerations, unless they would deliver the best possible result for the client in terms of total consideration.

5. Client's Specific Instructions

In circumstances where the Client provides the Company with a specific instruction as to how to execute an order and the Company has accepted this instruction, then the Company shall arrange – to the extent possible – for the execution of the Client order in accordance with the Client's specific instruction. It is noted that this specific instruction may prevent the Company from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the execution of that particular order in respect of the elements covered by those instructions. Nevertheless, by executing the order based on the specific instructions provided by the Client, the Company shall satisfy its obligation to provide the Client with best execution.

6. Execution Venues

The Company is not the Execution Venue for the execution of Clients' Orders. Execution Venues are the entities to which the orders are placed or to which the Company transmits orders for execution. Hence, the Company does not execute Client Orders on an own account basis as a principal. The Company transmits the Client Orders or arranges for their execution with a third party.

In this respect, if the Client decides to open a position on the Company's platform with the Execution Venue, then that open position can only be closed on the Company's platform with that Execution Venue.

The Client acknowledges and consents that the transactions entered in Financial Instruments with the Company's Execution Venue are not undertaken on a recognized exchange or a multilateral trading facility (MTF), rather they are undertaken through the Company's Trading Platform (i.e. Over-The-Counter) and, accordingly, they may expose the Client to greater risks than regulated exchange transactions. The terms and conditions and trading rules are established solely by the Execution Venue. The Client can only close an open position of any given Financial Instruments during the opening hours of the Company's Trading Platform. The Client also has to close any open position with the Execution Venue.

7. Review and Monitoring

The Company shall review the Best Interest & Order Execution Policy established as well as its order execution arrangements on an annual basis. A review will also be carried out whenever a material change occurs that affects the ability of the Company to continue

offering best execution result of its Client's orders on a consistent basis using the Execution Venue(s) defined in this Policy.

In addition, the Company will monitor and assess the effectiveness of the Policy and the relevant order execution arrangements on an on-going basis in order to identify and implement any appropriate improvements.; and where appropriate, the Company reserves the right to correct any deficiencies in this Policy and make improvements to its execution arrangements.

It shall be noted that the Company reserves the right to review and/or amend its Policy and arrangements whenever it deems appropriate and/or necessary and the Company will not notify clients separately of changes made to this Policy, unless a material change has been made, and Clients should therefore refer from time to time to the Company's website for the most up to date version of the Policy.

8. Client Consent

The Company is required, when establishing a business relation with the Client, to obtain his/her prior consent to this Policy.

This Policy forms part of the Client Agreement. Therefore, by entering into the "Client Agreement", the Client is also agreeing to the terms of this Best Interest & Order Execution Policy, as presented in this document. Therefore, the Company considers that its Clients have given consent to this Policy as well as that they have given consent to the Company to receive and transmit an order for execution outside a regulated market or a Multilateral Trading Facility (MTF).

In addition, a clear and prominent warning is disclosed to the Company's clients (within the Client Agreement) that any specific instruction from a client may prevent the Company from taking the steps that it has designed and implemented in its execution policy for obtaining the best possible result for the execution of those orders in respect to the elements covered by those instructions.