

Best Execution Policy

Purpose

EC Markets Group Ltd (“ECMG” or “the Firm”) is authorised and regulated in the UK by the Financial Conduct Authority (“FCA”). The Firm is committed to adhering to all applicable legal and regulatory requirements to ensure the best results for clients.

The purpose of this Policy is to set out the Firm’s approach to ensure that its organisational arrangements and procedures enable it to comply with the relevant requirements related to order handling and best execution.

Policy Overview

This document describes the firm’s Order Handling & Execution Policy (the “Best Execution Policy”), setting out the requirements imposed by the second Markets in Financial Instruments Directive (“MiFID II”) and the FCA, with regards to the handling of client orders and the provision, where applicable, of best execution.

Under these Rules, where the Firm executes client orders or routes or transmits orders for execution to another entity, including any affiliates, **the Firm is required to:**

- Establish and implement policies and procedures, including this Best Execution Policy, to allow the Firm to obtain the best possible result for its clients when executing client orders in Financial Instruments. This is the “best execution” rule.
- Implement procedures and arrangements which provide for the prompt, fair and expeditious execution of client orders.

Best Execution

Best execution is the overarching requirement for firms to take ‘sufficient steps’ to provide the client with the best possible overall results on a consistent basis, and not just by providing the best price for an individual trade. To do this, the Firm shall consider execution factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration considered to be relevant to the execution of the client’s orders.

Nevertheless, where there is a specific instruction from the client the Firm shall execute the order following the specific instruction. If the client’s specific instruction covers one aspect of the order, the Firm will follow its execution policy for the other aspects to ensure best execution.

The Firm has a duty to conduct all business with its clients in an honest, fair, and professional manner and to act in the client’s best interest at all times. The Firm aims to provide its clients the best execution on every transaction.

With our Share Dealing Services, an order from you is treated by us as an instruction to buy or sell and transmitted to Wealth Kernel - our trade counterparty, for execution. Wealth Kernel’s Order Execution Policy can be found on their [website](#) and is authorised and regulated by the FCA, Reference Number 723719.

Scope

Financial Instruments:

This Policy applies when executing transactions in Financial Instruments provided by the Firm, including: Share Dealing Services, Exchange Traded Forwards, Exchange Traded Commodities (Futures/Options), Exchange Traded Notes, Investment Services (GIA), ISAs, SIPP’s and Rolling Spot FX. In addition, it also applies to Spread Bets, CFDs on single stocks, CFDs on Commodities and CFDs on Equity Indices and CFDs on energy - these are leveraged products and carry a high degree of risk and may not be suitable for all clients.

Execution Factors

1. **Price** — considering the best price available is in the market.
2. **Cost** — consideration will be given to both explicit and implicit costs of execution including but not limited to, trading venue fees, clearing fees, and commissions.
3. **Speed** — orders should be executed as promptly as possible, except where a better result may be achieved by delaying the execution. Clients should be informed at such time that it is best to delay the execution
4. **Likelihood of Execution** - consideration will be given as to whether an order can be executed in its entirety at a trading venue taking into account the prevailing liquidity of the relevant financial instrument.
5. **Likelihood of Settlement** - consideration will be given as to whether the resulting trade can be settled according to client instructions.
6. **Size** — consideration will be given to the market impact of an order. For example, large orders may impact the prevailing market price or liquidity of the relevant financial instrument.
7. **Nature of the Client Order** — constraints relating to the execution of the order may impact the result obtained.
8. **Any other Consideration** that the Firm considers relevant to the execution of an order.

The Firm will determine the relative importance of each execution factor to achieve the best possible result by considering the following criteria:

1. Client classification (Retail/Professional);
2. Order characteristics (type, size, market impact)
3. Financial instrument characteristics
4. Characteristics of the execution venue(s), where applicable
5. Any other circumstances that we deem relevant to the execution of the order

In the absence of express instructions from a client, the Firm will exercise its own discretion in determining the execution factors and relative importance.

The Firm will use reasonable endeavours to act in accordance with this Best Execution Policy, but the Firm does not guarantee that the best possible price will be obtained in all circumstances. There may be occasions when the Firm changes the priorities of the execution factors where the Firm determines that the best price may not lead to the best possible result for the client. For example, during a severe market disruption or in the event of a system outage, other execution factors such as “likelihood of execution”, may become a priority.

Client Classification

The Firm is authorised to provide investment services to clients classified as a Retail Client, a Professional Client or an Eligible Counterparty.

1. Retail Clients

When dealing with Retail Clients, there is a regulatory assumption that the client can rely on the Firm to protect their interests, and the Firm will apply best execution to all trades that the client places through it, which will be assessed on the basis of ‘total consideration’.

Total Consideration is defined as the sum of the price and the costs incurred by the client and it represents the price of the financial instrument and all costs associated with the execution of the client’s order, including execution venue fees, clearing and settlement fees, and any other fees paid to third parties involved in the execution of the order.

2. Professional Clients

When dealing with Professional Clients, the Firm does not differentiate between an ‘elective’ Professional Client and a ‘per se’ Professional Client and will apply Best Execution to all transactions undertaken for its clients.

3. Eligible Counterparties

Where the Firm has classified a client as an Eligible Counterparty, the Firm is not required to apply best execution. The Firm will, however, always act in our client's best interests and must act honestly, fairly, and professionally and communicate in a way which is fair, clear and not misleading, taking into account the Eligible Counterparty's business.

Consent to Execution Policy

As part of the Firm's client onboarding process, the Firm will seek to obtain the express consent of its clients to this Best Execution Policy during the account opening process. The Firm will deem such consent to have been provided at such time that the client has been sent the Policy and subsequently gives the Firm orders for execution.

Execution Venues

In executing transactions, the Firm will act in the client's best interests taking into account the Execution Factors and Criteria described above.

The Firm has selected the following venues by class of financial instruments on which to execute orders:

- Finalto
- Wealth Kernel

Transactions Outside a Trading Venue

The Firm may execute client orders outside a trading venue. In such circumstances the Firm will seek to obtain the clients express prior consent before proceeding with the execution. The Firm will maintain the records of the consents obtained and will verify at least annually if the client maintains its consent.

Application of Best Execution

The best execution obligation always applies in circumstances where Retail & Professional Clients are placing legitimate reliance on the Firm to protect their interests in relation to the execution of a transaction or where we have agreed a contractual obligation to do so. Legitimate reliance is determined by a number of factors.

It is important to note that Best Execution does not apply to Eligible Counterparties.

QUOTE DRIVEN MARKETS AND LEGITIMATE RELIANCE

To determine whether best execution applies in respect of orders where a client has requested a quote, the Firm will determine whether the client has placed a legitimate reliance on the Firm to protect the client's interests in relation to the pricing, and other important elements of a transaction (the execution factors described above). To evaluate whether there is 'legitimate reliance', the Firm will apply the following cumulative test which considers:

- 1. Which party initiates the transaction** — where a client approaches the Firm the client is less likely to place reliance on the Firm.
- 2. Relative levels of price transparency within a market** — where a client has ready access to prices, they are likely to place less reliance on the Firm.
- 3. Information provided by the Firm**, and any agreement reached between the Firm and client.

Where the Firm determines, based on all these considerations, that there is no legitimate reliance being placed on the Firm by the client, then best execution will not apply.

Aggregation and Allocation of Orders

Client orders may be aggregated where consistent with fair treatment and unlikely to disadvantage clients overall. Where orders are aggregated, allocations are performed promptly and fairly, without preference. The Firm discloses that aggregation may disadvantage a client in relation to a particular order. The Firm will only aggregate orders where it can meet the following requirements:

1. It is consistent with the obligation of fair treatment of clients, and it is unlikely to work overall to the disadvantage of any client whose order is to be aggregated.
2. Disclosure is made to each client, where order aggregation occurs, that the effect of aggregation may disadvantage a client in relation to a particular order.
3. If the aggregation involves multiple client orders, the Firm will allocate the orders fairly and will not give preference to one client over another.

Specific Instructions

Where clients provide specific instructions for all or part of an order, the Firm will execute the order accordingly. Specific instructions may prevent the Firm from following aspects of this Policy designed to achieve the best possible result for the elements of the order not covered by the instruction.

Governance and Review Process

1. Review and Oversight of the Policy

The Best Execution Policy and the Firm's execution arrangements are reviewed annually, or whenever a material change occurs which affects the Firm's ability to continue to provide the best possible result for the execution of client orders. The Firm will notify clients of any changes to the Best Execution Policy, by updating the client specific summary of this policy on the Firm's website <http://www.ecmarkets.co.uk>

2. Annual Information on the Identity of Execution Venues and Quality of Execution

Under current UK rules, firms are no longer required to publish RTS 27 or RTS 28 best execution reports. The Firm will, upon request, demonstrate to clients that trades were executed in accordance with this Policy and, upon FCA request, evidence compliance with best execution requirements.

Monitoring and Reporting

The Firm will monitor the effectiveness of its order execution arrangements and order execution policy in order to identify and, where appropriate, incorporate any amendments to procedures. The Firm will monitor the prices available in the wider market to make sure that its executing parties are offering fair prices and that they continue to provide the best results for clients.

The Firm will assess, on a regular basis, whether the execution venue included in the order execution policy provides the best possible result for clients or whether it needs to make changes to its arrangements.

The Firm will review its order execution arrangements and order execution policy at least annually or whenever a material change occurs that affects its ability to continue to obtain the best possible result for the execution of client orders on a consistent basis, using the venues included in its order execution policy.

The Firm will notify clients of any material changes to its order execution arrangements or order execution policy as described above by posting the information on its website.

Client Communications and Disclosure

1. Disclosure of Appropriate Information to Clients

It is an FCA requirement that the Firm provides clients with ‘appropriate information’ on its best execution policy, which explains how orders will be executed in a way that is clear, provides sufficient detail and that can be easily understood by clients.

It is our aim that this document provides clients with that appropriate information but if you have any questions, please contact us at clientsupport@ecmarkets.co.uk

2. No Fiduciary Relationship

The Firm’s commitment to provide clients with “best execution” does not mean that it owes clients any fiduciary responsibilities over and above the specific regulatory obligations placed upon it or as may be otherwise contracted between the Firm and clients.

Clients remain responsible for their own investment decisions and the Firm will not be responsible for any market trading loss clients suffer as a result of those decisions.