
VSMARKETS LTD (previously Klips CY Ltd)

ORDER EXECUTION POLICY

Document History

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1. INTRODUCTION

- 1.1. This Policy is provided to you (our Client or prospective Client) in accordance with 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”). Pursuant to the Law, **VSMARKETS LTD (previously KLIPS CY LTD)** (the “Company”, “**VSMARKETS LTD**”, “we” and “our”) a limited liability Company incorporated in the Republic of Cyprus with registration number HE431041 a Company authorised and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) as a Cyprus Investment Firm (“CIF”) with licence number 434/23 and having its registered address at 116 Gladstonos Street, M. Kyprianou House 3rd & 4th floor, 3032, Limassol, Cyprus.
- 1.2. By opening a Trading Account, you agree/consent to the fact that your Orders will be executed outside a Regulated Market (e.g. Licensed European Stock Exchange) or a Multilateral Trading Facility (e.g. European Financial Trading System) or Organised Trading Facility “OTF”..

2. SCOPE

- 2.1. This Policy applies to both Retail and Professional Clients (as defined in the Company’s Client Categorisation Policy found on the Company’s website. If the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to such a Client.
- 2.2. This Policy applies when executing Client Orders for the Client for all the types of Contracts for Difference (“CFDs”) offered by the Company.
- 2.3. In case you have been categorised as an Eligible Counterparty, although this policy does not apply to you, in our relationship with you, we will act honestly, fairly and professionally and communicate in a way which is fair, clear and not misleading, taking into account the nature of you as a Client and of our business.

3. POLICY

- 3.1. The Policy outlines the process that the Company follows in executing client’s orders by taking all sufficient steps to consistently obtain the best possible result for its clients through its Order Execution Policy.
- 3.2. The Company proceeded to the establishment and maintenance of an Order Execution Policy, in order to ensure compliance with the obligation to execute orders in terms most favorable to its clients and to achieve the best possible results for its clients.

4. BEST EXECUTION CRITERIA

- 4.1. The Company will take into account the best execution criteria for determining the relative importance of the execution factors:
 - The characteristics of the client including its 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.
- 4.2. The best possible result when executing orders for Retail Clients will be determined in terms of total consideration, representing the price of the contract and the cost related to execution. The other execution factors of speed, likelihood of execution size, nature or any other relevant consideration will, in most case, be secondary to price and cost considerations, unless they would deliver the best possible result for the client in terms of total consideration.

5. EXECUTION FACTORS

5.1. The Company, when managing client's orders takes into account various execution factors, provided that there are no specific instructions from the client to the Company about the way of execution of the orders. The execution factors include:

- **Price**
- **Costs**
 - Speed of Execution
 - Likelihood of Execution
 - Likelihood of Settlement
 - Size of the Order
- **Market Impact**
 - Nature of the Order
 - Any other consideration relevant to the execution of the order

5.2. The Company determines the relative importance it assigns, in accordance with the abovementioned criteria, to Best Execution Factors by using its commercial judgment and experience in light of the information available on the market and taking into account the remarks included below:

Price – Highest Importance:

For any given CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy (go long) that CFD, and the lower price (BID) at which the Client can sell (go short) that CFD. Collectively, the ASK and BID prices are referred to as the Company's prices. The difference between the lower and the higher price of a given CFD is the spread.

The Company will provide its own tradable prices which are derived from independent price providers. The main way in which the Company will ensure that the client receives the best execution will be to ensure that the price provision to the client is made with reference and compared to a range of underlying price providers and data sources. Despite the fact that the Company takes all sufficient steps to obtain the best possible result for its Clients, it does not guarantee that when executing an Order its price will be more favorable than one which might be available elsewhere. The Company reviews its independent price providers at least once a year to ensure that correct and competitive pricing is offered.

VSMARKETS (previously Klips CY Ltd) is a Company authorised and regulated by the Cyprus Securities and Exchange Commission as a Cyprus Investment Firm with licence number 434/23. The registered address of the Company is at 116 Gladstonos Street, M. Kyprianou House 3rd & 4th floor, 3032, Limassol, Cyprus.

Email: support@vsmarkets.com **Website:** www.vsmarkets.com



Costs - Highest Importance:

When the client opens a position in some types of CFDs a spread and/or commission or a financing fee will apply. More information is disclosed on the Company's website.

Speed - Highest Importance:

The Company places a significant importance when executing Client Orders and strives to offer high speed of execution within the limitations of technology and communications links. Obviously, prices change over time. The frequency with which they do varies with different financial instruments and market conditions. Considering that the tradable prices which are distributed via the Company's trading platform/ terminal, technology used by the client to communicate with the Company plays a crucial role. For instance, the use of a wireless connection, or dial up connection, or any other communication link that can cause a poor internet connection can cause unstable connectivity to the Company's trading platform/terminal. The result for the client is to place his orders at a delay and the order to be executed at better or worst prevailing market price offered by the Company via its platform/terminal.

Likelihood of execution - Medium Importance:

The likelihood of execution depends on the availability of prices of the Execution Venue(s). In some cases it may not be possible to arrange an order for execution, for example, but not limited to, in the following cases: during news times, trading session start moments, 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 about price or size or other reason, the order will not be executed. In addition, the Company is entitled, at any time and at its discretion, without giving any notice or explanation to the Client, to decline or refuse to transmit or arrange for the execution of any order, or request, or instruction of the Client in circumstances explained in the Client Agreement.

Where the Company may transmit orders for execution to a third party (another Execution Venue), the likelihood of execution depends on the pricing and available liquidity of such other third party.

To improve speed and likelihood of execution the Company carries out certain ex-ante and ex-post quality checks. Such checks include, but not limited to, symmetric slippage checks, number of trades subject to slippage and comparing our average speed of execution with industry standards.

Likelihood of settlement – Low Importance:

The Company shall proceed to a settlement of all transactions upon execution of such transactions. The Financial Instruments offered by the Company do not involve the physical delivery of the underlying asset, so they are not settled physically as there would be, for example if the Client had bought shares. All CFDs are cash settled.



Size of order – Low Importance:

All orders are placed in monetary value which represent monetary value according to the specific CFD. 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 favorable. The Company reserves the right to decline an Order in case the size of the Order is large and cannot be filled by the Company or for any other reason as explained in the Company's Terms and Conditions. Please refer to the Company's website for relevant information on available order size for various CFDs as applicable.

Market Impact – Medium Importance:

Some factors may rapidly affect the price of the underlying instruments/products from which the Company's quoted price is derived and may also affect other factors listed herein. The Company will take all sufficient steps to obtain the best possible result for its Clients.

Nature of the Order - Medium Importance:

The nature of an Order may affect the execution of that particular Order. The client is given the option to place with the Company on its trading Platform the Orders described below in Section 'Types of Orders for trading CFDs'

The Company does not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as priority factor. Nevertheless, whenever there is a specific instruction from the Client, the Company shall make sure that the Client's order shall be executed following the specific instruction.

6. TYPES OF ORDERS FOR TRADING CFDs

- 6.1. Given the nature of risk and volatility of financial markets, the client may want to consider using different types of orders to limit risk and manage investment strategies.

Market order: A Market Order is an Order to buy or sell a CFD as promptly as possible at the prevailing market price. Execution of this Order results in opening and closing of a trade position. CFDs are bought at ASK price and sold at BID price. Stop Loss and Take Profit Orders can be attached to a Market Order. Market Orders are offered for all type of accounts. If the market price moves during the time it takes to fill in a client's order, the order will most likely be executed at the next best available price.

Pending Orders:

This is an Order to buy or sell a CFD in the future at the best available price once a certain price is reached. The Company offers the following types of Pending Orders: Buy Limit, Buy Stop, Sell Limit or Sell Stop Orders to trading accounts for CFDs.

A Pending order is an Order that allows the user to buy or sell a CFD at a pre-defined price in the future. These Pending Orders are executed once the price reaches the requested level. However, it is noted that



under certain trading conditions it may be impossible to execute these Orders at the Client's requested price. In this case, the Company has the right to execute the Order at the first available price. This may occur, for example, at times of rapid price fluctuations of 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, or there is lack of liquidity, or this may occur at the opening of trading sessions.

At requested/Limit order:

With an at requested order/limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order, may be entered away from the current market price, a limit order to buy below the current market price or to sell above the current market price, it may not be executed immediately. With those type of orders a client must be aware that he/she is giving up the certainty of execution in case the price level of the order is not reached by the market.

Stop Order:

A Stop Order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A Stop Order is therefore a pending order until the stop price is reached or breached. When a Stop Order is triggered, it is executed as a Market order and is filled as soon as possible at the price level set or at the next best available price of the market. Note that this price may differ from the price you set for the order (Slippage).

Take Profit Order

Take Profit is intended for gaining the profit when the CFD's price has reached a certain level. Execution of this Order results in complete closing of the whole position. It is always connected to an open, market or a pending Order. Under this type of order, the Company's trading platform checks long positions with Bid price for meeting of this order provisions (order is always set above the current Bid price), and it does with Ask price for short positions (the order is always set below the current Ask price).

Stop Loss

Order is used for minimising of losses if the CFD's price has started to move in an unprofitable direction. If the CFD's price reaches this stop loss level, the whole position will be closed automatically. Such Orders are always connected to an open, market or a pending order. Under this type of orders, the Company's trading platform checks long positions with Bid price for meeting of this order provisions (the order is always set below the current Bid price), and it does with Ask price for short positions (the order is always set above the current Ask price).

Slippage

You are warned that Slippage may occur when trading CFDs. This is the situation when at the time that an Order is presented for execution, the specific price showed to the Client may not be available; therefore, the Order will be executed close to or a number of pips away from the Client's requested price. So, Slippage is the difference between the expected price of an Order, and the price the Order is actually executed at. If the execution price is better than the price requested by the Client, this is referred to as positive slippage. If the executed price is worse than the price requested by the Client, this is referred to as negative slippage.



Please be advised that Slippage is a normal element when trading in CFDs. Slippage more often occurs during periods of illiquidity or higher volatility (for example due to news announcements, economic events and market openings and other factors) making an Order at a specific price impossible to execute. Your Orders may not be executed at declared prices. Slippage may appear in all types of accounts we offer. It is noted that Slippage can also occur on Stop Loss Orders, on Limit Orders, and other types of Orders. We do not guarantee the execution of your Pending Orders at the price specified. However, we confirm that your Order will be executed at the next best available market price from the price you have specified under your pending Order.

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 will execute the order in accordance with that specific instruction.

It is noted that any specific instructions from a Client 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 those Orders in respect of the elements covered by those instructions. However, it shall be considered that the Company satisfies its obligation to take all sufficient steps to obtain the best possible result for the Client. Trading rules for specific CFDs or market conditions may prevent the Company from following certain of the Client's instructions.

7. EXECUTION VENUES

- 7.1. Execution venues are the entities to which the orders are placed or to which the Company transmits orders for execution. The Execution Venue for clients' orders will be either the CIF when executing clients orders as a principal or a duly authorized market maker when CIF acts as an Agent/STP with respect to its clients orders.
- 7.2. The Company evaluates and selects the Execution Venues based on a number of criteria including such as (but not limited to) the following:
 - the regulatory status of the institution
 - the ability to deal with large volume of Orders
 - the speed of execution
 - the competitiveness of commission rates and spreads
 - the reputation of the institution
 - the ease of doing business
 - the legal terms of the business relationship
 - the financial status of the institution
 - various qualitative criteria such as clearing schemes, circuit breakers and scheduled actions.
- 7.3. The Company places different relative importance on each of the criteria mentioned above by using its commercial judgment and experience in the light of the information available on the market. The Company selects to work with the above venues that enable the Company to obtain on a consistent basis the best possible result for the execution of Client orders. Where there is only one possible Execution Venue, best execution is achieved by execution on that venue. Best execution is a process, which considers various factors, not an outcome. This means that, when



the Company is executing an order for a Client, the Company must execute it in accordance with its execution policy.

- 7.4. The Company does not guarantee that the exact price requested will be obtained in all circumstances and, in any event, the factors may lead to a different result in a particular transaction. The Client acknowledges that the transactions entered in Financial Instruments with the Company are not undertaken on a recognized exchange/regulated market, rather they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions/Orders.

8. EXECUTION OF CLIENT ORDERS

- 8.1. The Company shall satisfy the following conditions when carrying out Client Orders:
- ensures that Orders executed on behalf of Clients are promptly and accurately recorded and allocated;
 - carries out otherwise comparable Client Orders sequentially and promptly unless the characteristics of the Order or prevailing market conditions make this impracticable, or the interests of the Client require otherwise;
 - informs a Retail Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

9. IMPORTANT DISCLOSURES

- 9.1. The Company undertakes to summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where the Client orders were executed in the preceding year and information on the quality of execution obtained, in accordance to the relevant regulatory requirements.
- 9.2. The Company will publish an annual Execution Quality Summary Statement (EQSS) which will, for each class of financial instruments, include a summary of the analysis and conclusions the Company will draw from its detailed monitoring of the quality of execution obtained on the execution venues where all Client orders were executed in the previous year.
- 9.3. The EQSS will include:
- an explanation of the relative importance the Company gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;
 - a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
 - a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
 - an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;
 - an explanation of how order execution differs according to Client categorisation, where the Company treats categories of Clients differently and where it may affect the order execution arrangements;
 - an explanation of whether other criteria were given precedence over immediate price and cost when executing retail Client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the Client;



- an explanation of how the Company has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575;
- where applicable, an explanation of how the Company has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

10. CLIENT'S CONSENT

10.1. By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to the application of this Policy on the business relationship between the Company and the Client (i.e. this Policy forms part of the Client Agreement).

11. AMENDMENT OF THE POLICY AND ADDITIONAL INFORMATION

11.1. The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the Client Agreement. It should be noted that the Company will not notify Client separately of changes, other than substantial material changes to the Policy, and Clients should therefore refer from time to time to the website of the Company at for the most up to date version of the Policy.

11.2. Should you require any further information and/or have any questions about this policy please direct your request and/or questions to: compliance@vsmarkets.com.