



ORDER EXECUTION POLICY

SSC SMART FX

DECEMBER 2023
VERSION 1.5



Introduction

SSC Smart FX (“SSC SMART FX”, the “Company”, “we”, “us”, “our”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (license No. CIF 316/16).

Following the implementation of the Markets in Financial Instruments Directive 2014/65/EU II (MiFID II) in the European Union and its transposition in Cyprus with the Investment Services and Activities and Regulated Markets Law of 2007 (Law 87(I)/2017), Company is required to provide its clients and potential clients with its Order Execution Policy (hereinafter the “Policy”).

Under the above legislation, Company is required to take all sufficient steps to act in the best interest of the Client when receiving and transmitting orders for execution and to obtain the best possible result (or “best execution”) for its Clients either when executing client orders or receiving and transmitting orders for execution. In addition, these rules require investment firms to put in place an order execution policy which sets out how they will obtain best execution for their clients and to provide appropriate information to their Clients on their order execution policy.

Scope of Policy

The Policy applies to retail and professional Clients. So, if we classify you as an eligible counterparty, this policy does not apply to you.

This Policy applies when executing transactions with you in the financial instruments provided by us as Contracts for Differences (CFDs).

CFDs are contracts relying on an underlying financial instrument, and it is up to Company discretion to decide which types of CFDs to make available to its clients and to publish the prices at which these can be traded.

The Client is trading on the outcome of the price of the underlying financial instrument (i.e. an equity or currency). The trading takes place in the OTC market, therefore the Client may be trading with Company as a counterparty (whereby the Company will be acting as a principal) or with a third financial institution/Market maker (whereby the Company will be acting as an agent). If the Client decides to open a position in a CFD with the Company, then the off-setting transaction can only be placed with the Company

Order Types

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

- “Instant Order”: is an order to either buy or sell at a specific ‘Ask’ or ‘Bid’ price as it is streamed through and appears on the electronic platform at the time the Client submits the order for execution. If at the time we receive such an order the price has changed, then the new price will be offered to the Client as a ‘re-quote’. The Client has the right to either accept or reject this new quote.
- “Pending Order”: which is an order to be executed at a later time at the price that the Client specifies or at the best available price on the market at the time of execution depending on the method of execution selected by the Client (“Market” or “Instant” as determined by the Account Type). The Client accepts that under certain market conditions, such as high market volatility, illiquidity or market gaps, the execution price may vary significantly from the Client preset level. The following types of pending orders are



available: Buy Limit, Buy Stop, Sell Limit, Sell Stop, Buy Stop Limit and Sell Stop Limit. The client may attach to a pending order a Stop Loss and/or Take Profit;

Execution Factors

The Company shall take all sufficient steps to obtain the best possible results for its clients taking into account the following factors when executing Clients orders against the Company's quoted prices:

1. Price: For any given Forex instrument or CFD, Company will quote two prices: the higher price (ASK) at which the client can buy (go long) that Forex instrument or CFD, and the lower price (BID) at which the client can sell (go short) that Forex instrument or CFD; collectively they are referred to as Company price. At any time, the present difference between the lower and the higher price of a given Forex instrument or CFD, at the same time, 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. Such orders as Buy Stop Limit are placed at the future ASK price when it reaches the value indicated in the order. Such orders as Sell Stop Limit are placed at the future BID price when it reaches the value indicated in the order. The Company price for a given Forex instrument or CFD is calculated by reference to the price of the relevant underlying financial instrument, price which Company obtains from third-party external reference sources (LPs). The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews its used third party external reference sources at least once a day, to ensure that the data obtained continue to be competitive. The Company will not quote any price outside the Company's operations time (see execution venue below) therefore no orders can be placed by the Client during that time.

If the price touches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop, Buy Stop Limit, Sell Stop Limit these orders are executed at once. But under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop, Buy Stop Limit, Sell Stop Limit) at the price declared by Client. In this case the Company has the right to execute the order at the best available price on the market. This may occur, for example, at times of rapid price movement consequent, but not limited to, the release of major economic news of any kind and/or 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, or this may occur at the opening of trading session(s).

The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop, Buy Stop Limit and Sell Stop Limit orders, for a given Forex instrument or CFD that applies when setting SL or TP limits to an order, is 5 pips on each direction. When a trade is within the freeze limits that order cannot be modified by the trader. It basically forbids placing stop limits and protection too close to the market price. Therefore, the Company reserves the right to increase minimum levels for placing above mentioned orders to reasonable extent under abnormal market conditions, which cannot exceed standard stop/limit level more than 3 times.

2.Costs: The Company determine as a factor the price of the financial instrument and the costs relating to execution including all expenses incurred by the client which are directly relating to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties



involved in the execution of the order, as applicable. The Company distinguishes between explicit external costs and explicit internal cost. The subject to the best execution obligation for explicit external costs may be considered as commissions, fees, taxes, exchange fees, clearing and settlement costs or any other costs passed on to the client by intermediaries participating in the transaction and for explicit internal cost Company's own remuneration (including a commission or spread) for completing a transaction.

The internal commissions and costs for executing an order will be taken into account when assessing where to execute the order, in case there is more than one competing venue available. Thereafter, when judging whether best execution has been given on an individual transaction, the Company can omit their own fees and charges from the assessment.

For opening a position in some types of Forex instruments or CFDs the Client may be required to pay commission or financing fees, the amount of which is disclosed on the Company Website. Commissions may be charged either in the form of a percentage of the overall value of the trade or as a fixed amount. In the case of financing fees, the value of opened positions in some types of Forex instruments or CFDs is increased or reduced by a daily financing fee "swap rate" 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 website. For all types of Forex instruments or CFDs 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 account. Cost transparency data are posted quarterly on <https://www.smartfx-cy.com/pages/license/>.

3. Speed of Execution: 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 communications links at all times. The Client may request the Company to execute upon receipt instructions conveyed by telephone, e-mail or any other written or oral means of communication that each of the present and future account holders, attorneys and duly authorized representatives shall give individually to the Company even if these instructions are not followed by a confirmation in writing. The Company does not accept any liability in case of misunderstanding, error in the identification of the person giving the instruction or other errors on its part related to such method of communication and which may involve losses or other inconveniences for the Client. If the Client undertakes transactions on an electronic system, he 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 be that his order is either not executed according to his instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure. The Company reserves the right not to execute instructions transmitted by telephone or email. Telephone conversations may be recorded, and the client will accept such recordings as conclusive and binding evidence of the instructions.

4. Likelihood of Execution: the Company in some cases may act as principal whereby it will be the Execution Venue for the execution of the Client's orders for the financial instrument of Forex instruments or CFDs. In other cases, the Company may act as agent whereby some other Financial Institution (to be disclosed to the Client) will be the Execution Venue. In addition, the Company reserves the right to decline an order of any type or to offer the Client a new price for "market order". In this case, the Client can either accept or refuse the new price. The Company will post quarterly statistics related to the likelihood and quality of execution <https://www.smartfx-cy.com>.

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6. Likelihood of settlement: the Company shall proceed with settlement of all transactions upon execution of such transactions.

7. Size of order: the size of an order is measured in lots. A lot is a unit measuring the transaction amount and it may be different for different types of Forex instrument or CFD. Please refer to the Company website for the value of each lot for a given Forex instrument or CFD type. In addition, the Company reserves the right to decline an order as explained in the agreement entered with the Client.

8. Market Impact: Some factors may rapidly affect the price of the underlying financial instruments from which the Company's quoted price is derived and may also affect the rest of the factors herein. The Company will take all sufficient steps to obtain the best possible result for its Clients. The Company does not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as a 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.

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

- (a) The characteristics of the client including the categorization of the client as retail or professional;
- (b) The characteristics of the client order;
- (c) The characteristics of financial instruments that are the subject of that order;
- (d) The characteristics of the execution venues to which that order can be directed.

For retail clients, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument 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, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

Execution Venues: Execution Venues are the entities with which the orders are placed. For the purposes of orders for the financial instrument of Forex instruments or CFDs, the Company may act either as a principal (therefore, the Company is the sole Execution Venue for the execution of the Client's orders) or as an agent (therefore some third financial institution will be the Execution Venue).

The Company's execution venue is Growell Capital Limited.

The Company's operational hours for the trading of Forex instruments or CFDs, is round – the – clock From 24:00:01 to 23:59:59 GMT+2 (subject to daylight saving time conditions), Sunday to Friday, except for the 25th of December, the 1st of January. Other holidays will be announced in a timely manner on the Company website or through the internal mail of the Electronic Trading System.



The Client acknowledges that the transactions entered in CFDs with the Company are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions.

The Company does not receive any remuneration, discount or non-monetary benefit for routing Client orders to a trading venue or execution venue which would infringe the requirements on conflicts of interest or inducements.

The Company will take into consideration own commissions and costs for executing the order on each eligible venue to assess and compare possible outcomes in case there is more than one venue competing to execute an order. When the fees applied by the Company differ depending on the execution venue or entity used, information will be provided to clients as fair, clear, not misleading and sufficient to allow them to understand both the advantages and the disadvantages of the Company's choice of one execution venue or entity over another.

Monitoring Execution Quality

In order to ensure the quality of execution, the Company will monitor its factual performance on the execution criteria and verify that the trading conditions disclosed to the Clients are adequately adhered to. Inter alia, the Company will:

- a) Collect and maintain data on all processed orders, market, pending or limit (excluding orders received on the phone, or in writing), and perform statistical analysis on the likelihood of execution as well as on the effect of slippage, and the fill „At Or Better” ratio. The Company will do so for every offered account type.
- b) Sample quotes (tick-data) on ad hoc basis for the following:
 - All major currency pairs
 - Some of the offered minor and exotic pairs (based on market volatility)
 - All metals
 - Oils
- c) Perform statistical processing on the sample, and produce the mean, minimum, maximum, and mode spread for each of the sampled CFD markets. The Company will also determine whether or not these are in line with our trading conditions advertised on our website for the relevant Account Type. The Company will publish the data according to the timeline set on the reporting paragraph below.
- d) Based on the above results, the Company will sample trades that executed during inferior spread conditions (i.e. maximum spread) and compare those trades against the market to ascertain whether or not the execution was comparably fair for the Client. The comparison will be made against quotes on the external reputable reference source.

e)

The Company shall monitor on a regular basis the effectiveness of this procedure in order to identify and, where appropriate, correct any deficiencies.

In addition, the Company shall review the Policy at least annually and shall assess, on a regular basis, whether the execution venues have delivered the best possible result for the clients. A review will also be carried out whenever a material change occurs that affects the ability of the Company to continue to achieve the best possible result for the execution of its client orders on a consistent basis using the execution venues included in this Policy. In case deficiencies are identified when comparing different execution venues or other factors described in this policy then the Company shall decide on whether it should make amendments to its execution arrangements in order to improve the present policy and obtain the best possible results for its clients.

Reporting

Ensuring the transparency and the quality of the trades' execution and Company's execution venue, the Company publishes its data free of charge on the Company's website. In order to comply with the regulatory requirements the Company is obliged to summarize 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 case the Company has more than one execution venue it will publish the formation on the top five execution venues and the summary of the analysis and conclusions based on the close monitoring of the quality of execution venues on the website in an electronic format.

The Company is obliged to provide the Client with a confirmation of the execution of the client's order as soon as possible but no later than the next business day following the execution. In case the confirmation is received by the Company from a third party, the confirmation will be provided no later than the next business day following the receipt of the confirmation from a third party.

Client Consent

This Policy forms part of the SSC Smart FX Client Agreement. Therefore, by entering into the Client Agreement with the Company, the Client is also agreeing to the terms of our Best Execution Policy for Forex Instruments and Contracts for Differences (CFDs), as set out in this document and is specifically providing us with explicit consent for the orders being executed outside a regulated market or multi-lateral trading facility (MTF) or Organised Trading Facility (OTF), which is the case for OTC instruments.



Amendment and Additional Information

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate and/or at least annually. The Company shall inform its Clients as regards the amended version of its policy by email and by posting on the Company website.

Should you request any additional information about Company Order Execution Policy for Forex instruments and Cot for Differences, please contact the Company by email at backoffice@smartfx-cy.com



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