

Octa Markets Cyprus Ltd

‘Execution Quality Summary Statement’

Annual Disclosure
on the Quality of Execution obtained
for the Execution Venues where the Company has executed all Client Orders

Disclosure Period:

Year: 2021

(01.01.2021 – 31.12.2021)

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EXECUTION QUALITY SUMMARY STATEMENT (“EQSS”)

Quality of Execution Reporting

In line with the Law which provides for the provision of Investment Services, the exercise of Investment Activities, the operation of regulated markets and other related matters L. 87(I)/2017, which transposes EU MiFID II into Cyprus national legislation, Octa Markets Cyprus Ltd, the Company, will make available on its website, on an annual basis (by 30th April of each Year), the Execution Quality Summary Statement (“EQSS”), which provides information to relevant stakeholders, inter alia, in relation to the following:

1. Purpose of EQSS (Execution Quality Summary Statement)

The EQSS is a statement that Octa Markets Cyprus Ltd (hereinafter, the “Company”), an Investment Firm authorised and regulated by the Cyprus Securities and Exchange Commission with License Number: CIF 372/18, is required to disclose to its clients under Regulation EU 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council (“RTS 28”) with regard to regulatory 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 2021, covering a full year cycle (hereinafter, the “Year Under Review”).

The Company urges its clients and/or potential clients to read the Statement carefully as it contains information on how the Company executes orders to various Execution Venues when operating under the Market-Maker model and/or the STP (Straight-through Processing) model in relation to the Asset Classes available on offer (i.e. Contracts for difference on FX and Contracts for Difference).

The EQSS along with the accompanied tables will remain on the Company’s website for two (2) years at least post their publication. The present document is for your own personal use and cannot be published elsewhere without the written consent of the Company.

2. Relative Importance of Execution Factors during the Year Under Review

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* – Highest Importance;
- b. *Cost* – Highest Importance;
- c. *Speed of Execution* – High Importance;
- d. *Likelihood of execution and settlement* – High Importance;

- e. *Size, nature or any other consideration relevant to the execution of the order* e.g. characteristics of the client, of the order, financial instrument, and execution venue – Medium Importance.

For details on how each factor is assessed *ex ante* when executing clients' orders please refer to the Company's [Order Execution Policy](#).

During the Year under Review, 2021, the Company offered services to the following categories of clients:

➤ *Retail Clients*

For Retail Clients, the Company by virtue of the applicable regulatory framework is required to provide best execution in accordance with total consideration whereby total consideration represents the price of the Financial Instrument and the costs related to execution, which include all expenses incurred by the client which 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, as applicable.

3. Execution Venues during the year under review

The Company's execution venue(s) during the year under review were:

No.	Name of Execution Venue	Country of Establishment	Commencement date of the relationship with the Company	End date of the Business Relationship with the Company
1.	Octa Markets Cyprus Ltd, LEI: 2138004G54OD2XQM6182	Cyprus	06/2019	N/A
2.	LMAX Global Ltd LEI : 21380034TU2TI8CNZ578	UK	01/2020*	N/A
3.	Saxo Bank A/S LEI : 549300TL5406IC1XKD09	Denmark	05/2020	N/A
4.	SwissQuote Bank SA LEI : H6IQ3SWWWBLDBI06ZX04	Switzerland	06/2020	N/A

* This was the time of agreement with Cyprus Entity

4. Change of Execution Venues during the year under review

The Company notes that during the year under review it had added the following options in the list of Execution Venues:

1. LMAX Global 2. SaxoBank A/S 3. Swissquote Bank S/A, but none of these options were used to route any trades orders to the previously-mentioned Liquidity Providers. The list of Execution Venues are listed in the Company's [Order Execution Policy](#).

5. Categorization of Asset Classes: Types of Financial Instruments

Asset Classes:

1. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
2. Financial contracts for differences (hereafter "CFDs");

Class of Financial Instruments:

- a. CFDs on Forex (FX)
- b. CFDs on Precious Metals
- c. CFDs on Commodities
- d. CFDs on Equity Indices

6. Conflicts of Interest

The Company lists (non-exhaustive) the possible conflicts of interest it is facing (inclusive of conflicts of interest in relation to the Execution Venues it uses) as well as the relative mitigation measures in its [Conflicts of interest policy](#).

7. Payments or non-monetary benefits (made or received) to/by Execution Venues

During the Year Under Review the Company's arrangements with its Liquidity Providers stipulated that the Company does not receive any monies or non-monetary benefits from the Liquidity Providers for the execution of Clients orders. The Company pays its Liquidity Providers a fee based on trading volume that does not create a conflict of interest.

The Company generates its revenues from commissions paid by its Clients upon initiating a trading order.

During the Year Under Review the Company has not routed any trade orders to the Liquidity Providers, with which it has in place Business Agreements, namely LMAX Global. During the Year Under Review, the Company has only internalized trade orders under its capacity as a Market Maker.

The Company's [Costs and Charges Policy](#) are listed on the Company's website.

8. Tools and Data used during the Year Under Review

The Company during the Year Under Review deployed a number of methodologies and tools in order to monitor, and where applicable adjust, its execution parameters in order to ensure consistency with its overarching obligation to offer the best possible result for its clients' orders. In broad terms, the Company monitors on an ongoing basis its execution arrangements by selecting appropriate samples of orders executed and evaluates the samples in accordance to the following dimensions:

- a. Evaluating the Company's Execution Venues in accordance to the following:
 - Pricing Frequency (price updates in real time);
 - Speed of execution;
 - Frequency and duration of price freezing;
 - Depth of liquidity;
 - Pricing transparency;
 - Slippage frequency etc.
- b. Price Fairness by comparing independent prices relayed by independent market data providers with the prices quoted by its Execution Venues. For this purpose, the Company has internally developed a tool for the real time monitoring of independent source prices.
- c. Technological prowess of Company systems (responsiveness of interface, lag, integration with the IT systems of the Execution Venues etc.).

Relevant reports produced and published by the Company, include RTS 27 and RTS 28 tables, which can be accessible at the following link:

[Octa FX Legal Documents](#)

9. Reviews of Execution Monitoring - Control Functions

The Company's Reception, Transmission and Execution Department (RTE) produces reports on a weekly-basis with the evaluation process described above (***please see Section 6 of the EQSS***) and in case any actions are deemed necessary to be take, liaises with the Company's Senior Management for undertaking the necessary remedial steps.

The Company's control functions (Compliance and Internal Audit) scrutinize the monitoring procedure conducted by the Company's Reception, Transmission and Execution Department (RTE), and the actions taken by the Company's Senior Management.

The Company's control functions present their findings to the Company's Board of Directors at least annually, for further scrutiny and actions.

10. Execution Venues Report

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 under the Market-Maker model and the STP model, for the year 2021.

Information on the top five (5) execution venues during the year (Retail Clients)					
Class of Financial Instrument				CFD's	
Notification if <1 average trade per business day in the previous year				N	
Top Five (5) Execution Venues ranked in terms of trading volumes	Proportion (%) of volume traded as a percentage of total in that class	Proportion (%) of orders executed as percentage of total in that class	Percentage (%) of Passive Orders	Percentage (%) of Aggressive Orders	Percentage (%) of Directed Orders
Octa Markets Cyprus LTD LEI : 2138004G54OD2XQM6182	100%	100%	100%	0%	0%
LMAX Global Ltd LEI : 21380034TU2TI8CNZ578	0%	0%	0%	0%	0%
Saxo Bank A/S LEI : 549300TL5406IC1XKD09	0%	0%	0%	0%	0%
SwissQuote Bank SA LEI : H6IQ3SWWWBLDBI06ZX04	0%	0%	0%	0%	0%

11. Conclusion

During the year under review, and in precise for 2021, the Company has taken all sufficient steps in order to deliver best execution arrangements and monitoring for its Clients.

We believe that the Company has in place an Order Execution Policy which embeds such policy measures, procedures and monitoring and control mechanisms, able to ensure at all times that all sufficient measures are taken to deliver the best possible results for its Clients