



MONECOR (LONDON) LIMITED

# Order Execution Policy

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## Summary Order Execution Policy

### 1. Introduction

This document sets out the approach taken by Monecor (London) Limited trading as OvalX (“OvalX” or “The Firm”) in ensuring that the best possible outcome is obtained for its clients on a consistent basis when executing client orders and transmitting orders to third parties (i.e. other brokers) for execution. As well as our obligations under of the implementation of the Markets in Financial Instruments Directive (“MiFID II”), other Financial Conduct Authority (FCA) Rules and Guidance as well as LSE Rules have been taken into account when writing our policy, as well as other EU regulations and ESMA Guidance where appropriate.<sup>1</sup>

OvalX does not consider the overarching best execution requirements in isolation from other requirements such as:

- Acting honestly, fairly and professionally (COBS 2.1) and in the client’s best interests (COBS 2.1.1)
- Inducements (COBS 2.3A)
- Conflicts of Interest (SYSC 10)

Our Policy applies only to the execution or transmission of client orders in Financial Instruments, as defined in MiFID II. It also reflects the fact that the Firm deals with both professional and retail clients.

### 2. What is Best Execution?

OvalX is committed to ensuring that our clients are treated fairly and receive the best possible price when executing a trade, whatever the product.

Best execution refers to our responsibility to take all sufficient steps to achieve the best possible result on a consistent basis when executing orders on our clients' behalf. In practice there are a variety of factors that could be considered in order to achieve best execution.

This document forms part of our terms of business. Therefore, by agreeing to our Terms and Conditions, you are agreeing to our Order Execution Policy.

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<sup>1</sup> Rebranded (from ETX to OvalX), effective from May 2022

### 3. Execution Factors

OvalX is obliged to seek the best possible result for its client in relation to each trade requested. The best possible result however may vary depending on the situation, and this may not always equate to obtaining the best price or the lowest cost. OvalX is therefore required to consider and assess the relative importance of the relevant 'execution factors' in respect of each class of financial instrument in which it trades.

**Price** – This is the price at which a transaction is executed. Where the price has varied across the transaction the blended average price should be considered.

**Cost** - This includes explicit external costs such as exchange or clearing fees, as well as implicit costs such as spreads and slippage. This should be restricted to costs borne by the client and should not include the Firm's internal costs relating to trading.

**Speed** - This refers to the amount of time that elapses between the trade order and the successful execution of that trade.

**Likelihood of execution and settlement** - This refers to Firm's estimation of the probability that the trade order will be successfully completed either in whole or in part.

**Size** - For large orders or illiquid instruments only a partial fill may be received and this may vary between venues. Where the whole trade order is unlikely to be filled, the size of the potential fill will increase in importance.

**The nature or other relevant considerations of the order** - This is a broad category that covers any other factor not listed in the regulations that firms may wish to prioritise in order to achieve the best result for its clients. Examples of this may be the need to reduce the market impact of the trade. Where the client has attached instructions to the order these should also be taken into consideration.

Not all of these criteria are relevant in each case or relevant to our business model. For example, OvalX is the sole execution venue for trade executed by it for its clients.

### 4. Execution Criteria

In order to determine the relative importance of these factors, OvalX will take into account:

- the characteristics of the client (that is, whether the order is for a retail or professional client);
- the characteristics of the client order;
- characteristics of the financial instruments involved; and

- characteristics of the execution venues being considered.

When executing an order, the best possible result is determined by the total consideration (that is, the price of the investment and any associated costs, such as execution venue fees, clearing and settlement fees, and other third party fees) for the order

## 5. The Execution Process

In terms of the relative importance attached to the execution factors, OvalX has a general view and process which it adapts based on the particular characteristics (i.e. the execution criteria) of each trade. Where the OvalX is dealing with retail clients, OvalX prioritises price and cost together in order to achieve the best financial result for the client in terms of total consideration for the trade, this includes our own costs, to the extent that they are passed on to the client, which means that in most cases we are obliged to select the execution method, venue or broker that minimises the costs passed on to the client. The exception to this would be where the selection of a more expensive method of execution leads to a demonstrably better outcome in terms of total consideration for the trade due to an improved price being received.

The other execution factors however, including speed, size and likelihood of execution can and should still be considered, where relevant, and particularly where price and costs are distributed in a narrow range between the available execution options. It may also be necessary in extreme circumstances to prioritise the speed and probability of execution, for example in situations where the imminent failure of a counterparty may cause the total loss of the client's investment. In this situation delaying the transaction to prioritise achieving a better price/cost for the trade is not justifiable as it is likely to lead to worse overall financial outcome for the client.

In relation to professional clients and/or eligible counterparties, the first execution factor to consider is the probability of execution. The priority here will be to assess which execution venues are capable of executing the order on the required terms. In normal market conditions however, this is a relatively straightforward exercise that will produce.

## 6. RTS 27 – Quality of Execution

RTS 27 is intended to enable the public and investors to evaluate the quality of a firm's execution practices by requiring publication of valuable information about how and where the firm has executed client orders. It is important that these reports allow for a robust comparison between different firms and also to enable comparison of performance over time. Therefore, ESMA considers it suitable for firms to keep each report available in the public domain for a minimum period of two years.

The format of the disclosure should be made in line with Articles 3 to 8 of RTS 27, and in the format specified in Tables 1 to 9 of the Annex to that document. These reports must be produced quarterly, based on calendar quarters, with the report to be published no later than 3 months after the quarter end date.

Information is published in a machine-readable format and will be made available for members of the public via our website. Clients will be able to download in Excel format which will enable searching, sorting, and analysing of the data. The reports will remain in the public domain for a period of at least 2 years. Details of our data can be found at <https://www.ovalx.com/en-gb/legal/best-execution/>

## 7. Execution Venues – RTS 28

As a CFD provider, that deals on its own account and provides liquidity to other market participants, OvalX meet the definition of “other liquidity provider” meaning that OvalX an execution venue for the purposes of your trading.

Class of Instrument	Contract for Difference (CFD)					
	Notification if <1 average trade per business day in the previous year	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
Top five execution venues ranked in terms of trading volumes						
Monecor (London) Ltd T/A OvalX	100%	100%	21.38%	78.62%	0%	

## 8. Best Execution of OTC Products

OvalX will check the fairness of the price proposed to the client when executing orders or taking decisions to deal in OTC products. To ensure the fairness of price, firms we will use an aggregated

# Order Execution Policy



price or gather market data from various sources in the estimation of the price of the product and, where possible, compare with similar or comparable products.

## **Other Considerations affecting the choice and method of Execution**

- There may be circumstances where the method of execution will vary due to:
  - The size of the trade;
  - Market Volatility;
  - Liquidity ;
  - Market conditions e.g., interruption in the trading of a major exchange or market turbulence due to the failure of counterparty;
  - Trading on hard to access markets; and/or
  - Counterparty exposure.