



**EXECUTION QUALITY SUMMARY STATEMENT (EQSS) PRESENTING  
INFORMATION ON THE QUALITY OF EXECUTION OBTAINED FOR  
CLIENT ORDERS FOR THE YEAR 2017**

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## 1. Introduction

**AFX Capital Markets Limited** (hereinafter referred to as the ‘Company’)

**AFX Capital Markets Limited** is incorporated in the Republic of Cyprus with Certificate of Incorporation No. HE 253014. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (‘CySEC’), with a licence No. 119/10 and operates under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2017, Law 87(I)/2017, as subsequently amended from time to time (the Law). The Company’s office is located at Arch. Kyprianou 2 & Ayiou Andreou, G.Pavlidis Building, 3rd Floor, 3036 Limassol, Cyprus.

## 2. Scope

This disclosure covers all client orders where the company owes the Client best execution under the Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”). For a detailed breakdown of the asset classes for which the Company owes a duty of best execution, please refer to the Order Execution Policy.

The information below contains a summary of the analysis and conclusions that the company has drawn from its monitoring of the quality of execution obtained on the execution venues where it has executed client orders in 2017.

## 3. Summary of information - Contracts for Difference (“CFDs”)

- a) **An explanation of the relative importance the firm 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.**

In selecting the appropriate Execution Venue for a specific transaction, the Company considers the following execution factors:

- available price in the market;
- transaction costs (including commission, execution, clearing and settlement costs);
- speed of execution;
- the likelihood of execution and settlement (depending on liquidity in the particular market);
- the size and nature of the transaction; and
- Any other consideration that the Company deems to be relevant to the execution of that transaction.

The Company takes into account the following criteria when determining the relative importance of the abovementioned execution factors:

- characteristics of the Client (Retail or professional client) ;
- characteristics of the Client's order (e.g. market, limit, stop);
- characteristics of the financial instrument(s) (e.g. commodity, currency, fixed income, equity);
- characteristics of the Execution Venues to which the order can be directed.

In general, the Company regards price as being the most important execution factor when seeking to obtain the best possible outcome for Clients. However, in certain circumstances the Company may decide in its absolute discretion that the other factors mentioned above are more important than price.

**b) A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.**

The Company does not have any close links or common ownership with respect to any external execution venues.

**c) A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.**

Under the company's Order Execution Policy, we will not receive any remuneration, discount or non-monetary benefit for routing orders to a particular Execution Venue as this could give rise to a conflict of interest between the benefit received by the Company and its obligation to achieve the most favorable terms for the Client.

**d) 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.**

There were no changes to the execution venues listed in the Order Execution Policy during 2017.

**e) An explanation of how order execution differs according to client categorisation, where the firm treats categories of Clients differently and where it may affect the order execution arrangements.**

The Company provides investment services to Retail Clients. The Company will apply Best Execution to transactions with Retail and Professional Clients dealing in Financial Instruments where it accepts an order or where it has expressly agreed to provide Best Execution. The Company's Order Execution Policy does not apply to Eligible Counterparties; accordingly, we will not owe Best Execution in transactions entered into with Eligible Counterparties. However, this does not diminish the Company's obligation to act honestly, fairly and professionally and to communicate in a way that is fair, clear and not misleading when dealing with Eligible Counterparties.

**f) 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.**

- **Speed of Execution:**

The Company acts as principal and not as agent on the Customer's behalf; therefore, the Company is the sole Execution Venue for the execution of the Customer's orders for the Financial Instruments provided by the Company.

The Company places a significant importance when executing Customer's orders and strives to offer a high speed of execution within the limitations of technology and communication links.

The use of wireless connection or dial-up connection or any other form of unstable connection at the Customer's end, may result in poor or interrupted connectivity or lack of signal strength causing delays in the transmission of data between the Customer and the Company when using the Company's electronic trading platform. This may result in the placement of the Customer's order at an out of date price, which the Company might decline and provide the Customer with a new quote (i.e. re-quoting).

- **Likelihood of Execution:**

The Company acts as principal and not as an agent on the Customer's behalf; therefore, the Company is the sole Execution Venue for the execution of the Customer's orders for the Financial Instruments provided by the Company. However, the Company relies on third party liquidity providers for prices and available liquidity. Although the Company executes all orders placed by the Customers, it reserves the right to decline an order of any type. The Company shall proceed to a settlement of all transactions upon execution of such transactions.

- **Size of Order:**

All orders are placed in lot sizes. A lot is a unit measuring the transaction amount and it is different for each Financial Instrument. Details of the lot sizes are available on the Contract Specifications in the Company's website. Although there is no maximum order size that the Customer can place with the Company, the Company reserves the right to decline an order as explained in the agreement entered into with the Customer.

The Company makes every effort to fill the order of the Customer irrespective of the volume. But, if this is achieved, it may be at the best available price as the market liquidity may allow at the time of execution.

**g) An explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27.**

In order to effectively implement a robust Best Execution compliance program, the Company monitors the quality of execution of client orders through various data and tools. The Company has implemented the following execution quality.

- Price Feed Monitoring against Market standards such as Thomson Reuters and Bloomberg
- Regular independent reviews of execution quality arrangements and operating effectiveness of the monitoring.
- Periodic internal audit of the execution quality arrangements under Stage 1 and Stage 2 that aims to enhance the oversight of the Company's control environment.
- The goal is to ensure that clients are provided with the best possible results for their orders. To this end, the Company intends to conduct quarterly reviews of the fairness of the price provided to the client by gathering market data used in the estimation of the price of the products and comparing with similar or comparable products.

**h) Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.**

Not applicable.