

International Finance Asia

# Order Execution Policy

## Order Execution Policy

This Policy is available to clients upon request and is also made available on our Website. The Company reserves the right to amend or supplement this Policy at any time in such case we will inform you for such change. If you have any further questions please contact [account@internationalfinanceasia.com](mailto:account@internationalfinanceasia.com)

### 1. Introduction

#### 1.1 Definitions

Terms used in this Policy that are not interpreted differently shall have the meaning given to them by the Terms & Conditions of the Company.

#### 1.2. Purpose

International Finance Asia Ltd. (the "Company" or the "Firm") is a securities licensee regulated by the Labuan Financial Services Authority with license number SL/18/0009. The purpose of this Policy is to establish effective arrangements for obtaining, when the Company is executing clients' orders, the best possible result for its clients.

The Company owe their clients a duty of best execution and must take all reasonable steps to obtain, when executing orders, the best possible result for their clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. Nevertheless, whenever there is a specific instruction from the client, the Company shall execute the order following the specific instruction.

The Company cannot guarantee that upon execution of an order the price at which the order is executed will always be better than a price, which is, or might has been available elsewhere. In addition, the Company must establish and implement an order execution policy to allow the Company to obtain, for its clients' orders, the best possible result.

In addition, the Company must establish and implement an order execution policy to allow the Company to obtain, for its clients' orders, the best possible result.

### 1.3. Scope

This Policy outlines the Company's strategy for obtaining the best possible results when executing orders on behalf of clients, including the steps that the Company will take to comply with the best execution obligation. The Company owes the duty of best execution to a user only when the Company has a contractual or agency obligation to such user.

Accordingly, this document aims to set out those arrangements and to ensure compliance with legislative requirements and the departmental and general procedures, and gives an overview on how trades and orders are executed and the factors that may affect the execution's timing.

This Policy shall be read in conjunction with the Company's Terms and Conditions and the Client Agreement.

### 1.4 Instruments

The Company solely executes orders in relation to one or more financial instruments, include but not limited to, forex, equities, commodities, as well as in contracts for difference (CFDs) on forex, indices, commodities, and cryptocurrencies.

### 1.5 Legal Framework

This Policy implements the requirements of the Law which Provides for the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters of Labuan law.

## 2. Execution Policy

The Company has established, and will continue to maintain, an Order Execution Policy in order to ensure compliance with the obligation to execute orders on terms most favorable to the clients and to achieve the best possible results for its clients, taking into consideration its clients' ability, needs and trading policies, where applicable.

### 2.1. Execution factors and execution criteria

In the absence of specific client instructions to the Company, when managing client orders through to execution, the Company will take all reasonable steps to obtain when executing orders, the best possible result for its clients, taking into account the following "execution factors":

- Price
- Speed (including likelihood of execution and settlement)
- Costs or commissions
- Size and nature of the order
- Market conditions and variations
- Any other direct consideration relevant to the execution of the order

Additionally, when executing a client order, the following best execution criteria will be taken into account when determining the importance of the execution factors, which are:

- The characteristics of the client (including suitability and appropriateness assessment)
- The characteristics of the client order
- The characteristics of the financial instruments that are the subject of that order and the suitability and appropriateness for the client
- The characteristics of the execution venues to which that order can be directed.

## 2.2 The role of price when obtaining best execution

The best possible result will always be determined in terms of the "total consideration". The total consideration represents:

- the price of the financial instrument/contract; and
- the costs related to execution, which will include any expenses incurred by you which are directly related to the execution of your order
- This can include:
  - execution venue fees;
  - clearing and settlement fees; and
  - any other fees paid to third parties involved in the execution of the order.

Therefore, when the Company is dealing for its clients or on their behalf, obtaining the best result in terms of total consideration will take precedence over the other execution factors listed above. This means that speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs will be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to you.

Accordingly, the best possible result will be determined in terms of the total consideration, representing the price of the contract and the cost related to execution. The other execution factors of speed, likelihood of execution and settlement, size, nature, market conditions and variations or any other relevant consideration will, in most cases, be secondary to price and cost considerations, unless they would deliver the best possible result for the client in terms of total consideration.

## 2.3 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.

Nevertheless, if the client provides a specific instruction to the Company to carry out an order, then by transmitting that order to an executing broker, the Company will be complying with the Company's duty to provide the client with best execution. This may result in being unable to follow the Company's order execution policy for that particular order and it is therefore noted that the specific instruction provided by the client may prevent the Company from obtaining the best possible result for the client as otherwise would be implemented according to this Policy.

### 3. Execution venues

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 a third-party venue include but not limited to banks, non-bank liquidity pools, regulated markets, multilateral trading facilities (MTFs) and exchanges. If the Company determines that this is in the best interests of clients, the Company reserves its right to change the execution venue at any time, or to engage an additional venue(s) at any time, without receiving the clients consent and without sending any further notification.

The Company remains responsible for the execution of any transactions on your behalf. Orders transmitted by the Company to venues to execute on your behalf will be subject to venue's Order Execution Policy. In such circumstances the Company, and not you, will be the client of the venue.

### 4. Analysis of Execution Factors

#### 4.1 Price

The Company publishes market data regarding the securities prices on the platform, obtained from third parties vendors ("Indicative Prices"). It is important to make a distinction between the Indicative Prices that are displayed on the platform and the actual execution prices, when trades are performed by the venues ("Execution Prices"). Indicative Prices only give an indication of where the market is at a certain moment, and may change rapidly, while Execution Prices are determined at the moment of executing the trade, and are delivered by the venues.

In regards to a given CFD financial instrument the Company quotes the higher price at which the client can buy, thus going long ("ASK") and the lower price at which the client can sell thus going short ("BID") the relevant CFD. The difference between the BID and ASK of a given CFD is called the spread, which can vary with the different types of accounts in CFDs.

Prices of CFDs are calculated with respect to the underlying asset prices as these are provided from Indicative Prices. The Company ensures that the client receives the best execution mainly by ensuring that the price provision to the client is made with reference and compared to a range of underlying price providers and data sources. The Company reviews its independent Indicative Prices at least once a year to ensure that correct and competitive pricing is offered. Company's prices are available on the Company's trading platform.

In addition, the Indicative Price, is continuously quoting its prices, therefore last quoted prices are displayed on Company's trading platform.

However, under certain trading conditions, as under high volatility causing rapid price fluctuations, the Company might not be in a position to execute the order placed by the client at the client's requested price. Under this scenario, the Company maintains the right to execute the order at the first available price.

## 4.2 Cost

When a client opens a position, he may be required to pay a commission and/or financing fee and/or stamp taxes and/or currency conversion costs and/or any other incurred fee as a part of the ongoing trading activities in the various exchanges.

## 4.3 Size and nature of order

All orders are placed in monetary value. The client will be able to place his order as long as he has enough balance in his trading account, and all in accordance with his current margin settings. If the client wishes to execute a large size order, in some cases the price may become less favorable considering the market supply or demand for this order.

However, CFD trades are leveraged which means a ratio is set that determines how much money a client must actually invest in order to open a trade for certain value. In addition, the leverage can also be expressed in term of what percentage the client needs to invest for a trade. This percentage is called a margin requirement. In this respect, the client may use margin to increase the potential return of an investment, thus using leverage.

#### 4.4 Speed (including likelihood of execution and settlement)

Obviously, prices change over time. The frequency with which they do varies with different market conditions. Considering that the 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 and affect the trading sequence. Due to the levels of volatility affecting the financial instruments price, the Company seeks to provide client orders with the fastest execution reasonably possible. Under the boundaries of the broker and/or any other third parties which may affect trading speed.

As regards to the likelihood of settlement, it is noted that the Company proceeds with the settlement of all transactions upon the execution and/or time of expiration of the specific transaction. In regards to CFDs, the aforementioned instruments do not involve physical delivery of the underlying asset.

#### 4.5 Market Conditions and Variations

The execution prices which are provided by the venues may be different from the market data presented to the clients, and may be affected by various factors which could also affect the above mentioned factors. The Company and the venues will take all reasonable steps to ensure the best possible result for the Company's clients.



## 5. Aggregation and Allocation of Orders

The Company will not carry out a client order in aggregation with another client order unless the following conditions are met:

- it must be unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated;
- it is disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;
- an order allocation policy is established and effectively implemented, providing in sufficiently precise terms for the fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations (which will normally be pro rata to the size of the orders) and the treatment of partial executions.

### 5.1 Order Management

The Company will ensure that, at all times, client orders are handled equitably and to client's best advantage. Client orders will be executed in a prompt and equitable manner, taking into account the nature of the order. Other similar orders may be processed or executed according to the time of receipt and may be aggregated or pro-rated accordingly, unless the characteristics of the order or prevailing market conditions make this impracticable or the interests of the client, measured on a cumulative expectancy basis, defined as a measurement of the clients' interests, based in terms of total consideration, i.e. having taken into account the interests of all clients' orders, require otherwise. The Company undertakes to manage all client orders in accordance with the following principles:

- Order execution with the venues shall be prompt, fair and expeditious and processed sequentially
- Aggregation of comparable orders shall be undertaken to the client's best interests
- Allocation or reallocation shall be equitable and seek to protect from client detriment

## 5.2 Order Aggregation

To carry out a client order in aggregation with another client order, the Company will ensure the following requirements are met:

- The Company, in its sole discretion and under prevailing market conditions, does reasonably believe that such action is likely to be within the client's best interests and the Company is able to demonstrate it measured on a cumulative expectancy basis, defined as a measurement of the clients' interests, based in terms of total consideration, i.e. having taken into account the interests of all clients' orders.
- The decision to aggregate and, if necessary, reallocate will be made in accordance with any client agreements and instructions and with the Customer Agreement, having regard to price and volume and allocated accordingly.

## 5.3 Asset Allocation

### **(i) Partial execution**

Where partial execution takes place on an aggregated order, the Company remains at liberty to randomize the allocation with the client order. In such an event, the Company will be in a position to reasonably demonstrate, that without its own participation, execution could not have taken place at all or on such favorable terms.

### **(ii) Allocation of aggregated Client orders**

Where aggregation of two similar client orders are affected, in the event of partial execution, the Company will determine the orders on an unbiased manner, for the final execution.

## 6. Demonstration of best execution

On request, the Company will demonstrate that orders have been executed in accordance with this Policy.

## 7. Client Limit Orders

Unless a client expressly instructs otherwise, firms are required to put on immediate public display all unexecuted limit orders in order book admitted to trading on a regulated market. A "limit order" is an order to buy or sell a financial instrument at its specified price limit or higher and for a specified size.

## 8. Monitoring

The Company will monitor and assess on a regular basis the effectiveness of this execution Policy and the order of its order execution arrangements and, in particular, the execution quality of the procedures explained in the execution Policy in order to deliver the best possible result for the client. Where appropriate, the Company reserves the right to correct any deficiencies in this execution Policy and make improvements to its execution arrangements.

The Company assesses on a regular basis, of particular transactions in order to determine whether it has complied with its Policy and/or arrangements, and whether the resulting transaction has delivered the best possible result for the client.

## 9. Conclusion

Appropriate information is provided to the client on the content of the execution policy. The prior consent of the clients is obtained regarding the documented order execution policy to be followed. In addition, a clear and prominent warning is disclosed to the Company's clients within the Client Agreement that any specific instruction from a client may prevent the Company from taking the steps that it has designed and implemented in its execution policy for obtaining the best possible result for the execution of those orders in respect to the elements covered by those instructions.

Adequate information is provided to the clients through this policy in relation to the factors that are taken into consideration by the management when handling clients' orders. Also, the policy is reviewed periodically by the Company and the clients are informed accordingly in relation to any material changes.

THIS PAGE INTENTIONALLY LEFT BLANK