

# Order Execution Policy

## 1. Introduction

KEY WAY MARKETS LTD (“the Company”) is required to take all reasonable steps to act in the best interest of its Clients when receiving and transmitting Client’s orders.

The Company executes Clients’ Orders on Contracts for Differences (“CFDs”) in stocks, commodities, indices, cryptos, bonds, exchange traded funds (ETFs), blends and currency pairs etc.

Moreover, the Company receives and transmits Clients’ orders in relation to Stocks (hereinafter the “Securities”). The Company acts as an agent with respect to Securities’ dealing trades with clients which means that all Clients’ Orders on Securities will be received and transmitted for execution to a third-party Execution Broker, that being EXT Ltd. EXT Ltd routes orders to the multilateral trading facility or third parties that can execute trades on stock exchanges by the prices of stock exchange. All prices quoted by the Company are provided by Safecap Investments Ltd and are indicative of the market price at which the Clients’ Orders will be executed; execution of Clients’ Orders will be arranged by EXT Ltd.

The Company is authorised by the Financial Services Regulatory Authority as a Category 3A Firm (Financial Services Permission No 190005) and is permitted to conduct the following financial services:

- Dealing in Investments as Principal (on a Matched Principal basis)
- Dealing in Investments as Agent

The Firm is allowed to hold Client Money in line with the provisions of clause 17.8 in the Conduct of Business Rulebook (“COBS”) and is permitted to provide financial products and services to Retail Clients as well as to persons who meet the qualifying criteria of a Professional Client as defined in the ADGM COBS.

Through its online platform, the Firm offers the following financial instruments to its clients:

- Contracts for difference (“CFDs” may also be referred as “Financial Instruments” or “Leveraged Products”)
- Listed stocks and exchange traded funds (“Securities”)

This Best interest and order execution policy (the ‘Policy’) applies when receiving and transmitting Client Orders or executing orders for the Client for all the types of Contracts for Difference (“CFDs”) and/or Securities. Contracts for Difference (‘CFDs’) are leveraged products, incur a high level of risk and can result in the loss of all of your invested capital. As a result, CFDs may not be suitable for all individuals The Company has the sole discretion to decide which types of financial instruments to make available and to publish on its platforms the prices at which these can be traded by its clients. These prices, published on its trading platform, are provided via live streaming prices received by the Company from third party liquidity providers.

The Policy must be read in conjunction with, and constitutes part of, the Customer Agreement and Business Terms and Risk Disclosure. Any decision whether or not to open an account, and whether

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or not you understand the risks of executing Transactions or Trades on the Trading Platform is yours. By entering into an agreement with Key Way Markets Ltd for the provision of our services, the client agrees and consents to the terms of this Policy.

It should be noted that further risks may exist but are not listed here due to the impossibility of covering every conceivable risk. You should in any case seek expert advice before commencing trading with us.

## 2. Scope

This Policy applies all Clients of the Company. Additionally, the policy should be read in conjunction with the Company's Conflict of Interest Policy and Terms & Conditions found on the Company's website.

This Policy applies when receiving and transmitting Client Orders or executing orders for the Client for all the types of Contracts for Difference ("CFDs") offered by the Company. This Policy also applies when receiving and transmitting Client Orders for all the Securities offered by the Company.

## 3. Underlying CFD Instruments

Price fluctuations of the underlying CFD instruments may be so significant within short time intervals that clients may be unable to have time to deposit additional funds for the purpose of posting a margin call and the CFD transaction will have to be forcibly liquidated. Additionally, your risk of loss cannot be limited by stop loss orders, as the Company is only obliged to execute this type of order at the "next best available" price of the underlying CFD.

## 4. Historic price performance

The historical movement of prices does not give a reliable indication of the movement of prices in the future. Past performance is no indication of future performance and you should understand that market trends can vary significantly over time.

## 5. Not a Long-term investment

Open transactions attract fees that are charged to the clients either determined as a fixed fee or calculated as a percentage. These costs also increase the threshold beyond which clients may make a profit from their original investment. Therefore, CFD products are not suitable as a long-term investment.

## 6. Potential Risks

**OTC:** Over The Counter ("OTC"), products are not executed on a formal exchange. Therefore, an officially established price does not exist. The Company sets prices, at which the client can trade an enter into at its own discretion. These trades can only be closed at the prices quoted by the Company.

**CFDs:** There are certain jurisdictions where the sale, promotion, and distribution of certain speculative derivative contracts such as CFDs offered are restricted. These supervisory actions are as a result of findings noted how sovereign regulators had experienced a surge in the number of complaints in relation to these financial instruments.

**Quoting:** In the event that no price is available to us from our providers on which we generally quote a CFD price, whether because it is not quoted on the market on which it is listed or for any other reason, we will not generally quote a price for a CFD. In such event, we shall not be liable for any losses arising from any delay or loss caused to you by the price unavailability.

**Margin:** Margined trades can lead to a total loss of the capital allocated for trading. The risks of these transactions can only be controlled to a certain degree or limited with respect to the amount at stake by making use of Stop Loss Orders.

**Leverage:** The leverage which is available in CFD Transactions trading means that a small margin deposit can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the size of any loss or profit which can work against you as well as for you.

**Knowledge and Experience:** Clients may be exposing themselves to risks that fall outside their knowledge and experience and/or they may not have the knowledge or experience to properly assess and/or control by way of mitigating the consequences.

**Transaction Costs:** Transaction costs are an important factor, which not only influence the profit or loss of every single transaction but also reduce the overall likelihood of achieving profitability.

**Slippage:** You are warned that Slippage may occur when trading in CFDs and/or Securities. This is the situation when at the time that an Order is presented for execution, the specific price showed to the Client may not be available; therefore, the Order will be executed close to or a number of pips away from the Client's requested price. So, Slippage is the difference between the expected price of an Order, and the price the Order is actually executed at. If the execution price is better than the price requested by the Client, this is referred to as positive slippage. If the executed price is worse than the price requested by the Client, this is referred to as negative slippage. Please be advised that Slippage is a normal element when trading in financial instruments, including CFDs and/or Securities. Slippage more often occurs during periods of illiquidity or higher volatility (for example due to news announcements, economic events and market openings and other factors) making an Order at a specific price impossible to execute. In other words, your Orders may not be executed at declared prices. Slippage may appear in all types of accounts we offer. It is noted that Slippage can occur also during Stop Loss, Take Profit and other types of Orders. We do not guarantee the execution of your Pending Orders at the price specified. However, we confirm that your Order will be executed at the next best available market price from the price you have specified under your pending Order. In addition to the above, it is also noted with respect to Clients' Orders on Securities, that quoted prices are always indicative of the price at which such orders will be executed.

## 7. Best Execution Factors

The Company shall take all reasonable steps to obtain the best possible results for its Clients when receiving, transmitting and executing Client Orders and obtain the best possible results for its Clients taking into account the following factors when dealing with Clients' Orders: price, costs, speed, likelihood of execution and settlement, size, market impact or any other consideration relevant to the execution of the order. We do not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as priority factor.

The relative importance of the Best Execution Factors will principally be determined by reference to:

- (i) the characteristics of the Client
- (ii) the characteristics of the Client's order, including the price and volume;
- (iii) the instruments being dealt in and the liquidity of the underlying market (e.g. for trades outside the normal trading size); and
- (iv) speed and likelihood of execution.

The orders will be executed/ transmitted at the best available terms on the basis of the information available at the time.

During times of high demand, delays in processing an order may impact the price and speed at which the order is executed/ transmitted. Furthermore, in the case of any communication or technical failure, as well as any incorrect reflection on the quotes feed, the Company reserves the right not to execute an order or change the opening and/or closing price of a particular order.

- a. **Price:** For any given CFD, the Company will present two prices: the higher price (ASK) at which the Client can buy (go long) that CFD, and the lower price (BID) at which the Client can sell (go short) that CFD. Collectively, the ASK and BID prices are referred to as the Company's price. The difference between the lower and the higher price of a given CFD is the spread.

Such orders as Buy Limit, Buy Stop and Stop Loss, Take profit for an opened short position, are executed at ASK price. Such orders as Sell Limit, Sell Stop and Stop Loss, Take profit for an opened long position, are executed at BID price.

The Company's prices can be found on the Company's website and/or trading platforms. The Company updates its prices as frequently as the limitations of technology and communications links allow.

The Company will not quote any price outside the Company's operations time (see Execution Venues below) therefore no orders can be placed by the Client during that time.

For any given Security available on the Company's Platform, the Company will present a buy and sell price. This quote is only indicative of the market price at which the client can Buy the Security or Sell their existing shareholding. Therefore, Clients' Orders may be executed at a different price than the quoted price or the last reported price at the time of Order entry.

This indicative price is obtained from third-party providers, who source their prices from a number of exchanges and other execution venues.

If the price reaches an Order set by you, the Order is automatically executed. In volatile markets, especially at or near the open or close of the standard trading session, execution may be at a substantially different price from the quoted price (please also refer to the "Slippage" explanation under point 6 of this Policy), or the last reported price at the time of Order entry. Volatile or illiquid markets may result in partial executions or execution of large Orders in several transactions at differing prices. Opening prices may differ substantially from the closing prices of the previous day.

The Company does not provide Direct Electronic Access as defined in the applicable legislations/regulations/rulebook issued by the Abu Dhabi Global Market ("ADGM") and/or

Financial Services Regulatory Authority (“FSRA”).

If the price reaches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop, these orders are instantly executed. However, under certain trading conditions it may be impossible not to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop) at the Client’s requested price. In this case, the Company has the right to execute the order at the first available price. This may occur, for example, at times of rapid price fluctuations, 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 sessions. The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given CFD or Security, is specified under your Trading Agreement.

- b. **Costs:** For opening a position in some types of CFDs the Client may be required to pay commission or financing fees, the amount of which is disclosed on the Company's website.

Commissions: Commissions are charged in relation to Clients’ Orders either in the form of a percentage of the overall value of the trade or as fixed amounts.

For each Buy or Sell Order that the Company transmits with respect to UK and EU Securities, the Company charges commission fees. In relation to Clients’ Orders on EU Securities, the Company shall charge commission fees based on the order’s volume (i.e. on total cost of the Securities that are part of the order), while in relation to Clients’ Orders on UK Securities, the Company shall charge commission fees based on the order’s size (i.e. on the quantity of Securities that are part of the order). For more information, please find available on our website the Summary of Costs and Fees.

Financing Fee: In the case of financing fees, the value of opened positions in some types of 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’s website. For all types of CFDs that the Company offers, the commission and financing fees are incorporated into the Company’s quoted price.

Spreads: The spreads for the list of CFDs can be found on the Company’s website and/or the Platform(s).

Conversion Fee: when a currency of a client’s account differs from the currency of the traded instrument the Company applies a conversion fee.

It is also noted that Client Account may be charged with additional fees such as Client Inactivity fees.

All fees can be found on the Company’s website.

Should the Company at any period of time decide not to charge such costs, it shall not be construed as a waiver of its rights to apply them in the future.

- c. **Speed of Execution:** The Company does not execute Client Orders in CFDs and Securities as a principal to principal against the Client, i.e. the Company is not the Execution Venue for the execution of the Client’s Order. The Company transmits Client Orders or arranges for their execution with a third party(ies). However, 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. For instance, in cases where Clients are using a wireless connection or a dial up connection or any other communication link that can cause a poor internet connection then this may cause unstable connectivity with the Company's trading Platforms resulting in the Client placing his Orders at a delay and hence the Orders to be executed at better or worst prevailing price offered by the Company.

- d. **Likelihood of Execution:** The Company transmits Orders for Execution or executes them with another party. The likelihood of execution of Clients' Orders on CFDs depends on the availability of prices of the market makers/financial institutions. The likelihood of execution of Clients' Orders in Securities depends on the relative liquidity of the venue available for execution. In some cases, it may not be possible to arrange for the execution of a Client's Order, for example but not limited in the following cases: during news times, trading session start moments, during volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price, upon restrictions that may be imposed from the liquidity provider of execution venue, a force majeure event has occurred.

In the event that the Company is unable to proceed with a Client's Order with regards to price or size or other reason, such order will be either rejected or partially filled.

In addition, the Company is entitled, at any time and at its discretion, without giving any notice or explanation to the Client, to decline or refuse to transmit or arrange for the execution of any Order or Request or Instruction of the Client in circumstances explained in the Client Agreement.

In relation to Clients' Orders on Securities, the Company does not accept such orders outside the market hours of the relevant Security. All Securities are traded in accordance with the trading hours of the exchange on which the instrument is traded.

- e. **Likelihood of settlement:** In relation to Clients' Orders on CFDs offered by the Company, these do not involve the delivery of the underlying asset, so there is no physical settlement as there would be for example if the Client had bought shares.

In relation to Clients' Orders on Securities offered by the Company, the Company will take into consideration the likelihood of the Order's settlement which depends on local markets.

- f. **Size of order:** The actual minimum size of an order is different for each type of Account. In relation to CFDs, a lot is a unit measuring the transaction amount and it is different for each type of CFD. Please refer to the Company's website for the value of the minimum size of an order and each lot for a given CFD type, as well as of the minimum size of an order on Securities. The Company reserves the right to decline an order as explained in the agreement entered with the Client. Please refer to the Company's website for the value of the maximum volume of the single transaction. It is noted that in relation to the Clients' Orders on Securities, the maximum size of a trade is dependent on normal market size and market conditions.

If the Client wishes to execute a large size Order, in some cases the price may become less favourable considering the liquidity in the market. The Company reserves the right not to accept a Client's Order, in case the size of the Order is large and cannot be filled by the Company.

- g. **Market Impact:** Some factors may rapidly affect the prices of Securities as well as the prices of the underlying instruments/products from which the Company's quoted price of a CFD is

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derived and may also affect other factors listed herein. The Company will take all reasonable steps to obtain the best possible result for its Clients.

- h. **Other:** Any other consideration relevant to the Execution of the Orders, which may include but are not limited to low liquidity and/or high volatility.

*The Company does not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as 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. In certain instances - whether as a result of system failures, disrupted markets or otherwise - it may be necessary to execute orders of Clients in a different manner to that set out in this Policy. In such circumstances, the Company will seek to achieve the best possible result available for the Client under the prevailing conditions.*

## 8. Types of Order(s) available in trading

The particular characterizing of an Order may affect the execution of the Client's Order. Please see below the different types of Orders that a Client can be placed:

### a. Market Order(s)

A market order is an order to buy or sell a CFD or a Security as promptly as possible at the prevailing market price. Execution of this Order results in opening a trade position. CFDs are bought at ASK price and sold at BID price. Securities are bought at BUY price and sold at SELL price. Stop Loss and Take Profit orders can be attached to a market order.

### b. Pending Order(s)

This is an Order to buy or sell a CFD or a Security in the future at the best available price once a certain price is reached. The Company offers the following types of Pending Orders: Buy Limit, Buy Stop, Sell Limit or Sell Stop Orders to trading accounts for CFDs or Securities.

A Pending Order is an Order that allows the user to buy or sell a CFD or a Security at a pre-defined price in the future. These Pending Orders are executed once the price reaches the requested level. However, it is noted that under certain trading conditions it may be impossible to execute these Orders at the Client's requested price. In this case, the Company has the right to execute the Order at the first available price. This may occur, for example, at times of rapid price fluctuations of 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 there is a lack of liquidity, or this may occur at the opening of trading sessions.

It is noted that Stop Loss and Take Profit may be attached to a Pending Order. Also, pending Orders are good till cancel.

### c. Take Profit

Take Profit Order is intended for realizing the profit when the financial instrument (i.e. CFDs and/or Securities) price has reached a certain level. Execution of this Order results in a complete closing of the whole position. The Order can be requested only together with an open market or a pending Order and it is also executed at stated prices.

This type of Order is set above the current Bid price in case of long positions and below the opening price in case of short positions. The Company's trading platform closes a long position at Bid Price, and a short position at Ask Price.

#### d. Stop Loss

Stop Loss Order is used for seeking to minimise losses if the CFD or a Security price starts moving in an unprofitable direction. If the CFD or the Security price reaches the stop loss level, the whole position will be closed automatically, thus eliminating the incurrence of additional losses. Such Orders are always connected to an open position or a pending Order. They can be requested only together with a market or a pending Order. Under this type of orders, the Company's trading platform checks long positions with Bid price to meet the provisions of this order (the order is always set below the current Bid price), similarly, the platform checks Ask prices for short positions (the order is always set above the current Ask price).

An order can be modified by the client if the market did not reach the price level specified by the client and the order was not cancelled in the meantime.

The Company notes that it cannot guarantee that Clients' Orders will always be executed, at least not at the level requested. Depending on underlying market conditions, most notably liquidity factors, Clients' Orders may be partially filled if the alternative would be an outright rejection of the Order. The Company will never partially fill in a Client's Order as an alternative to filling it in its entirety.

### 9. Client's Specific Instruction

Whenever there is a specific instruction from or on behalf of a Client for the execution of an Order, the Company shall arrange – to the extent possible – for the execution of the Client order strictly in accordance with the specific instruction.

It is noted that any specific instructions from a Client may prevent the Company from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the execution of those Orders in respect of the elements covered by those instructions. However, it shall be considered that the Company satisfies its obligation to take all reasonable steps to obtain the best possible result for the Client.

Trading rules for specific markets or market conditions may prevent the Company from following certain of the Client's instructions.

### 10. Execution Venues

The Company uses other third-party Institution(s) as Execution Venues. Execution Venues are the entities with which the Orders are placed for final execution.



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An “Execution Venue” means a regulated market (e.g. stock exchange), a multilateral trading facility, a systematic internalized or a market maker or another liquidity provider or an entity performing in a third country a function similar to any of the abovementioned.

### **Execution Venues for CFDs**

The Company transmits Client Orders on CFDs or arranges for their execution with a third party(ies) known as Straight Through Process (STP). Such arrangement can be made to manage the Company’s risk and it shall not jeopardize the quality of execution of the Client’s order while all

abovementioned best execution criteria/factors shall be followed/applied.

The Client acknowledges that the transactions entered in CFDs with the Company are not undertaken on a recognized exchange, rather they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions.

The Company evaluates and selects the third-party Execution Venues it collaborates with, based on a number of criteria such as (but not limited to) the following:

- regulatory status of the institution;
- the ability to deal with large volume of orders;
- the speed of execution;
- the competitiveness of commission rates and spreads;
- the reputation of the institution;
- the ease of doing business;
- the legal terms of the business relationship; and
- the financial status of the institution.

### **Execution Venues for Securities Trading**

The Company does not execute itself Client Orders on Securities with an Execution Venue. The Company uses a third-party broker for routing its Clients’ Orders for further routing to the multilateral trading facility or third-parties that can execute trades on stock exchanges by the prices of stock exchange.

The Company evaluates and selects the Execution Brokers to which it transmits client orders based on a number of criteria including (but not limited to) the criteria provided for Execution Venues for CFDs. The Company places different relative importance on each of the criteria mentioned above by using its commercial judgement and experience in the light of the information available on the market.

The Company does not receive any remuneration, discount or major non-monetary benefits for routing its Clients’ Orders to a particular execution venue or execution entity, which would infringe its obligations with regards to conflicts of interest or inducements.

The Company, before deciding which Execution Brokers to use for Clients’ Orders, it compares different brokers and performs due diligence on them. Some of the parameters that the Company evaluates, include the following:

- Availability of best price for a specific Financial Instrument and liquidity of the

Execution Venue or broker

- Speed of communication/execution – the time it takes to place a client order in the market or to execute it.
- Fees/Cost of execution as well as cost of clearing and settlement
- Likelihood of execution (access to relevant execution venues)
- Size of the order – whether it has access to markets that provide the greatest liquidity and thus potential for execution of large orders.
- Quality of execution and service, both historical and current, based on the review performed;
- Quality of any related clearing and settlement facilities;
- Technological infrastructure and capabilities of the Execution Broker.

## 11. Client's Consent

By entering into a Client Agreement with the Company for the provision of Investment Services, the Client (i.e. this Policy forms part of the Client Agreement). If a Client makes any reasonable and proportionate requests for information (including additional information about this Policy), the Company shall answer clearly and within a reasonable time.

## 12. Amendment of the Policy and Additional Information

The Company monitors on a regular basis the effectiveness of the policy and monitors the execution quality of the entities identified herewith and where appropriate, corrects any deficiencies. The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate when a material change occurs that affects the Company's ability to continue to obtain the best possible result for the clients and in any case at least annually, according to the terms of the Client Agreement between the Client and the Company. It should be noted that the Company will not notify the Client separately of changes, other than substantial material changes to the Policy, and Clients should therefore refer from time to time to the website of the Company at [Terms and conditions](#) for the most up to date version of the Policy.

Should you require any further information and/or have any questions please direct your request and/or questions to [support.ae@capex.com](mailto:support.ae@capex.com)