

## **BEST INTEREST & ORDER EXECUTION POLICY**



## SUMMARY

### **1. Introduction**

This Summary Best Interest and Order Execution Policy (“the Policy”) is provided to you (our Client or prospective Client) in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 L. 87(I)/2017 (“the Law”).

Pursuant to the Law, Growell Capital Ltd (“the Company”) is required to take all sufficient steps to act in the best interest of its Clients either when executing or receiving and transmitting Client Orders for execution and to achieve the best execution results when executing Client Orders and to comply, in particular, with the principles set out in the Law when providing investment services.

By opening a Trading Account, you agree/consent to the fact that your Orders will be executed outside a Regulated Market (e.g. Licensed European Stock Exchange) or a Multilateral Trading Facility (e.g. European Financial Trading System).

The Company executes Client Orders in relation to Contracts for Differences (“CFDs”) in stocks, commodities, equity indices, metals, forwards, futures and currency pairs (FX). CFDs are also referred to as Financial Instruments in this Policy.

### **2. Scope**

2.1. This Policy applies to both Retail and Professional Clients (as defined in the Company’s Client Categorization Policy found at <http://fxgrow.com/pdf/Client-Categorization-Policy.pdf>). If the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to such an Eligible Counterparty.

2.2. This Policy applies when executing Client Orders for the Client for all the types of CFDs offered by the Company.

2.3. This policy is also applicable when providing the service of Portfolio Management.

### **3. Best Execution Factors**

3.1. The Company shall take all sufficient steps to obtain the best possible results for its Clients when receiving, transmitting and executing Client Orders as well as when performing the service of portfolio management by placing orders for execution with the Company’s Liquidity Providers, as follows:

- (a) **Price:** For any given CFD, the Company will quote 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 opened short position are executed at ASK price. Such orders as Sell Limit, Sell Stop and Stop Loss, Take profit for opened long position are executed at BID price.



The Company's price for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third party external reference sources (i.e. price feeders). The Company's prices can be found on the Company's website or trading platforms. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews its third party external reference sources from time to time to ensure that the data obtained continues to remain competitive. The Company will not quote any price outside the Company's operations time (see execution venue below) therefore no orders can be placed by the Client during that time. Certain ex-ante and ex-post quality checks are conducted by the Company to ensure that prices obtained and subsequently passed on to clients remain competitive. Such checks include, but not limited to, reviewing system settings/parameters, comparing prices with reputable price sources, ensuring symmetry of spread and checking the speed of price updating.

**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 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, is specified in the Company's website at <http://fxgrow.com/>

- (b) **Costs:** For opening a position in some types of CFDs the Client may be required to pay commission and/or financing fees, the amount of which is disclosed on the Company's website at <http://fxgrow.com/>

Commissions: Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amounts. More information on commissions can be found on the Company's website at <http://fxgrow.com/>

Financing Fee: In the case of financing fees, the value of opened positions in some types of CFDs is increased or reduced by a financing fee "swap rate" throughout the life of the CFD (i.e. until the position is closed). Financing fees are based on prevailing interest rates, which may vary over time. Details of financing fees applied are available on the Company's website at <http://fxgrow.com/>

For all types of CFDs that the Company offers, the commission, if applicable, and financing fees are not incorporated into the Company's quoted price and are instead charged separately to the trading account.

Currency Conversion: The Company may provide a currency conversion quote from the Client's base currency to the currency of the relevant CFD. This will not reflect an actual conversion of currency in the Client's account, and serves the purpose of calculating



consideration in the base currency only.

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, with prior notice to the Client as explained in the Client Agreement found on the Company's website at <http://fxgrow.com/> Such notice may be sent personally to the Client and/or posted on the Company's website <http://fxgrow.com/>

- (c) **Speed of Execution:** The Company does not execute the Client Order in CFDs 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 arranges for the execution of Client Orders with the Execution Venue. 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 platform resulting to 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:** When the Company transmits Orders for Execution or executes it with another party, execution may be more difficult. The likelihood of execution depends on the availability of prices of other market makers/financial institutions. In some case it may not be possible to arrange an Order for execution, 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, a force majeure event has occurred. In the event that the Company is unable to proceed with an Order with regard to price or size or other reason, the Order will not be executed. 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 found at <http://fxgrow.com/pdf/ClientTermsandConditionsAgreement.pdf>.

In order to improve speed and likelihood of execution the Company carries out certain ex-ante and ex-post quality checks. Such checks include, but not limited to, symmetric slippage checks, number of trades subject to slippage and comparing our average speed of execution with industry standards.

- (e) **Likelihood of settlement:** The Company shall proceed to a settlement of all transactions upon execution of such transactions. The Financial Instruments of CFDs offered by the Company do not involve the delivery of the underlying asset, so there is no settlement as there would be for example if the Client had bought shares. All CFDs are cash settled.
- (f) **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 type of CFD. The minimum size of an

order is different for each type of Trading Account. Please refer to the Company's website at <http://fxgrow.com/> for the value of minimum size of an Order and each lot for a given CFD type. Also, please refer to the Company's website at <http://fxgrow.com/> for the value of the maximum volume of the single transaction. If the Client wishes to execute a large size Order, in some cases the price may become less favourable. The Company makes every effort to fill the Order of the client but reserves the right to decline an Order in case the size of the Order is large and cannot be filled by the Company or for any other reason as explained in the Client Agreement found at <http://fxgrow.com/pdf/ClientTermsandConditionsAgreement.pdf>

- (g) **Market Impact:** Some factors may rapidly affect the price of the underlying instruments/products from which the Company's quoted price is derived and may also affect other factors listed herein. The Company will take all sufficient steps to obtain the best possible result for its Clients.

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.

### 3.3. Types of Trading Accounts in CFDs:

The Company may offer different types of Trading Accounts from time to time. In this respect, the initial minimum deposit, the spreads, costs, size commissions, if any etc. may differ according to each type of Trading Account. Further information regarding the type of Trading Accounts offered can be found on the Company's website at <http://fxgrow.com/>

## **4. Execution Practices in Financial Instruments**

### **(a) Slippage**

You are warned that Slippage may occur when trading in CFDs. 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. 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.

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.



**(b) Re-quoting**

This is the practice of providing a secondary quote to the client after an 'instant order' has been submitted; the client must agree to this quote before the order is executed. The Company will requote 'instant orders' if the requested price originally specified by the client is not available. The secondary quote provided to the client is the next best available price received by the Company from its Execution Venue. The Company does not re-quote 'pending orders' or 'market orders'. Re-quotes apply to all types of Accounts.

**5. Types of Order(s) in Trading Financial Instruments**

The particular characteristics 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 as promptly as possible at the prevailing market price that is available. Execution of this Order results in opening a trade position. CFDs are bought at ASK price and sold at BID price. Stop Loss and Take Profit Orders can be attached to a Market Order. Once the "market order" is triggered it shall be subject to the conditions described in the "Good 'till Cancelled" and "Good 'till Day" below.

Good 'til Cancelled ('GTC') (= Expiry): this is an execution setting that the client may apply to 'pending orders'. The order may remain 'live' and pending for execution until such time as the order is triggered and treated as a market order or cancelled by the client.

Good til Date ('GTD'): this is an execution setting that applies to 'pending orders' traded through "Meta Trader".

More information can be found on the Company's website at <http://fxgrow.com/>

**(b) Instant Order(s)**

An Instant Order is an Order to buy or sell a CFD to the most recently available price. In Instant Execution if the requested price is not available, the current available price will be sent to the Client to confirm execution (re-quote). Instant Orders are offered for all type of CFDs Trading Accounts.

**(c) Pending Order(s)**

A Pending Order is an Order that allows the user to buy or sell a CFD 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 (see section 3.1. (a) above). In this case, the Company will execute the order at the next best 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 lack of liquidity, or this may occur at the opening of trading sessions. This is an Order to buy or sell a CFD in the future at the next 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.

**Buy Stop:** This is an Order to buy at a specified price ('the stop price') that is higher than the current market price. Once the market reaches the 'stop price', the 'stop order' is triggered and treated as a market Order.

**Sell Stop:** This is an Order to sell at a specified price ('the stop price') that is lower than the current market price. Once the market reaches the 'stop price', the 'stop order' is triggered and treated as a market Order.

**Buy Limit:** This is an order to buy at a specified price ('the limit price') that is lower than the current market price. Once the market reaches the 'limit price' the order is triggered and executed at the 'limit price' or better. The 'limit order' is treated as a market Order. 'Limit orders' can be placed as close to the current market price as possible; there is no restriction.

**Sell Limit:** This is an order to sell at a specified price ('the limit price') that is higher than the current market price. Once the market reaches the 'limit price' the order is triggered and executed at the 'limit price' or better. The 'limit order' is treated as a market Order. 'Limit orders' can be placed as close to the current market price as possible; there is no restriction.

**Take Profit:** Take Profit Order is intended for gaining the profit when the CFD's price has reached a certain level. Execution of this Order results in complete closing of the whole position. It is always connected to an open position or a pending Order. Under this type of Order, the Company's trading platform checks long positions with Bid price for meeting of this order provisions (the order is always set above the current Bid price), and it does with Ask price for short positions (the order is always set below the current Ask price). Take Profit Orders can be modified and can be cancelled.

**Stop Loss:** Stop Loss Order is used for minimising of losses if the CFD's price has started to move in an unprofitable direction (opposite direction of the expected one). If the CFD's price reaches this stop loss level, the whole position will be closed automatically. Such Orders can be connected to an open, market or a pending order. Under this type of Orders, the Company's trading platform checks long positions with Bid price for meeting of this order provisions (the order is always set below the current Bid price), and it does with Ask price for short positions (the order is always set above the current Ask price). Stop Loss orders can be modified and can be cancelled.

More information can be found on the Company's website at <http://fxgrow.com/>

## **6. Best Execution Criteria**

6.1 The Company will determine the relative importance of the above Best Execution Factors (of paragraph 3 above) by using its commercial judgment and experience in the light of the information available on the market and taking into account:



- (a) The characteristics of the Client, including the categorisation of the client as retail or professional.
- (b) The characteristics of the Client order.
- (c) The characteristics of the Financial Instruments that are the subject of that order.
- (d) The characteristics of the execution venue to which that order is directed.

The Company assigns the following importance level to the Best Execution Factors:

<b>FACTOR</b>	<b>IMPORTANCE LEVEL</b>	<b>REMARKS</b>
Price	High	We give strong emphasis on the quality and level of the price data that we receive from external sources (i.e. Execution Venues) in order to provide our Clients with competitive price quotes.
Costs	High	We take all reasonable steps to keep the costs of your transactions as low and competitive, to the extent possible.
Speed of Execution	High	Execution speed and the opportunity for price improvement are critical to every trader and we repeatedly monitor this factor to ensure we maintain our high execution standards
Likelihood of Execution	High	Even though we reserve the right to decline a Client order we aim to execute all Client Orders, to the extent possible.
Likelihood of Settlement	Medium	See relevant description in Best Execution Factors (See Section 3 for CFDs).
Size of Order	Medium	See relevant description in Best Execution Factors (Section 3 for CFDs).
Market Impact	Medium	See relevant description in Best Execution Factors (Section 3 for CFDs).
Nature of Order	Medium	See relevant description in Best Execution Factors (Section 3 for CFDs).

For Retail Clients, the best possible result shall be determined in terms of the total consideration, unless the objective of the execution of the order dictates otherwise, representing the price of the Financial Instrument and the costs related to execution, which shall include all expenses incurred by the Client which are 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.

For the purposes of delivering best execution where there is more than one competing Execution Venues to execute an Order, in order to assess and compare the results for the Client that would be achieved by executing the Order on each of the execution venues that is capable of executing that Order, the Company's own commissions and costs for executing the order on each of the eligible execution venues shall be taken into account in that assessment. The Company shall not structure or charge commissions in such a way as to discriminate unfairly between execution venues.



## **7. Client's Specific Instruction**

7.1. Whenever there is a specific instruction from or on behalf of a Client (e.g. fills in the required parts on the Company's trading platform when placing an Order), relating to the Order or the specific aspect of the Order the Company shall arrange – to the extent possible – for the execution of the Client Order strictly in accordance with the specific instruction.

**WARNING:** 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.

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

## **8. Execution on Client Orders**

8.1. The Company shall satisfy the following conditions when carrying out Client Orders:

- (a) ensures that orders executed on behalf of Clients are promptly and accurately recorded and allocated;
- (b) carries out otherwise comparable Client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable;
- (c) informs a retail Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

## **9. Execution Venues**

9.1. Execution Venues are the entities with which the Orders in Financial Instruments (i.e. "CFDs") are placed for final execution. An "Execution Venue" means a regulated market (e.g. stock exchange), a multilateral trading facility, a systematic internaliser or a market maker or another liquidity provider or an entity performing in a third country a function similar to any of the abovementioned.

The Company executes Client Orders in CFDs as a principal to principal towards the Client, i.e. the Company is the sole Execution Venue for the execution of the Client's Order. Hence, Client Trading Accounts offered by the Company may fall under a Dealing Desk Execution Model. When the Company executes Client Orders as a principal to principal, it faces market maker risk.

There are instances however, where the Company may decide at its own discretion to place an order for execution to a third party Execution Venue i.e. the Company is not the Execution Venue for the execution of the Client's Orders. The Company transmits Client Orders or arranges for their execution with a third party (ies) known as Straight Trough Processing (STP). Such arrangement can be made to manage the Company's risk and it shall not jeopardise the quality of execution of the Client's order while all abovementioned best

execution criteria/factors shall be followed/applied. The Company uses other third party Institution(s) as Execution Venues. The Execution Venues currently used by the Company are the following:

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The list may be changed at the Company's discretion by giving at least one business day prior notice to the Clients. The Company reserves the right to change its Execution Venues at its own discretion.

The Company evaluates and selects the Execution Venues based on a number of criteria including such as (but not limited to) the following:

- a) the regulatory status of the institution;
- b) the ability to deal with large volume of Orders;
- c) the speed of execution;
- d) the competitiveness of commission rates and spreads;
- e) the reputation of the institution;
- f) the ease of doing business;
- g) the legal terms of the business relationship;
- h) the financial status of the institution;
- i) various qualitative criteria such as clearing schemes, circuit breakers and scheduled actions.

The Company places different relative importance on each of the criteria mentioned above by using its commercial judgment and experience in the light of the information available on the market

The Company selects to work with those third party venues that enable the Company to obtain on a consistent basis the best possible result for the execution of client orders.

Where there is only one possible Execution Venue, best execution is achieved by execution on that venue. Best execution is a process, which considers various factors, not an outcome. This means that, when the Company is executing an order for a Client, the Company must execute it in accordance with its execution policy. The Company does not guarantee that the exact price requested will be obtained in all circumstances and, in any event, the factors may lead to a different result in a particular transaction.

9.2. The Client acknowledges that the transactions entered in Financial Instruments with the Company are not undertaken on a recognised exchange, rather they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks (e.g. counterparty risk) than regulated exchange transactions. If you require more information regarding the consequences of this means of execution please contact us in one of the official contacting methods of the Company.

9.3. The Company randomly selects a sufficiently large sample of trades to ensure, with a high statistical confidence level, that it constantly obtains and will obtain the best possible results for the Clients. This is verified by selecting samples from different periods of time,

for different instruments and different types of CFDs. Also the sample checks include trades under irregular market events.

## **10. Important Disclosures**

10.1. The Company undertakes to summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where the client orders were executed in the preceding year and information on the quality of execution obtained, in accordance to the relevant regulatory requirements.

10.2. The Company will publish an annual Execution Quality Summary Statement (EQSS) which will, for each class of financial instruments, include a summary of the analysis and conclusions the Company will draw from its detailed monitoring of the quality of execution obtained on the execution venues where all client orders were executed in the previous year.

10.3. The EQSS will include:

- (a) an explanation of the relative importance the Company 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;
- (b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
- (c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
- (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;
- (e) an explanation of how order execution differs according to client categorisation, where the Company treats categories of clients differently and where it may affect the order execution arrangements;
- (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;
- (g) an explanation of how the Company has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575;
- (h) where applicable, an explanation of how the Company has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

10.4. The Company will publish quarterly reports on price, cost, speed and likelihood of execution for each individual financial instrument as per Commission Delegated Regulation 2017/575 (RTS27), for every trading day during the relevant period and for every financial instrument.

10.5. The content, periodicity and format of the information to be published in the quarterly reports is laid down in RTS 27, and the information shall cover each trading day, in accordance with the templates set out in the Annex of RTS 27, in a machine-readable

electronic format (e.g. excel file), available for downloading by the public (e.g. on the CIF's website).

## **11. Client's Consent**

11.1. By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on him (i.e. this Policy forms part of the Client Agreement found at <http://fxgrow.com/pdf/ClientTermsandConditionsAgreement.pdf>)

## **12. Amendment of the Policy and Additional Information**

12.1. The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the Client Agreement. It should be noted that the Company will not notify 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 <http://fxgrow.com/> for the most up to date version of the Policy.

12.2. Should you require any further information and/or have any questions about this policy please direct your request and/or questions to [info@fxgrow.com](mailto:info@fxgrow.com)

