

Evaluation of the quality obtained from the execution venues used by Alfa Capital Holdings (Cyprus) Limited in regards to Contracts for Differences

This report, RTS 28, is a summary of the analysis and conclusions drawn by Alfa Capital Holdings (Cyprus) Limited (hereinafter “ACC” or “Company”) following a detailed monitoring of execution quality obtained from the Top 5 execution venues used by the Company to execute orders in the previous year, in terms of trading volumes regarding Contracts for Differences (hereinafter “CFDs”). It shall be read in conjunction with the “Best Execution Analysis” table.

In accordance with the Company’s Order Handling and Best Execution Policy and the new obligations under MiFID II, ACC takes “all sufficient steps” to obtain the best possible result for its clients when executing their orders.

ACC assesses, at least on an annual basis, the quality of service received by each execution venue used for executing clients’ orders. The assessment takes into consideration the type of financial instrument in question and relative importance of execution factors per class of financial instrument. In regards to Contract of Differences, the Company used different Execution Venues/Liquidity Providers that are authorised and regulated by their National Component Authorities.

In order to achieve the best possible result for client order the company took into consideration the below execution factors and criteria:

- 1. Price:** a venue that provides, or is likely to provide, consistent trading opportunities at better prices than other execution venues or OTC or other entities for execution;
- 2. Costs:** these relate amongst other, a mark-up on the ask price and a mark-down on the bid price;
- 3. Likelihood of execution:** a venue that provides, or is likely to provide, consistent trading opportunities in terms of increased volumes at the same price and time;
- 4. Speed of execution:** speed of execution within venues is relatively similar in modern electronic markets;
- 5. Reliability and operational resilience:** a venue is assessed on their reliability and operational resilience, both from a trading and post-trade perspective;
- 6. Quality of execution and service:** a venue that provides, or is likely to provide the best quality of execution (historical and current);
- 7. Responsiveness to any request/complaints and willingness to correct such errors;**
- 8. Market models:** execution venues are assessed on their trading models, including matching and allocation logic, as well as their rules and the type of trading participants;

9. Technological Infrastructure and capabilities: technological infrastructure is relative similar in modern electronic markets.

The company prioritizes the execution factors typically taking into account the following criteria:

- The characteristics and nature of the order such as benchmark, strategy, aggressively/passivity;
- The characteristics of the Client;
- The characteristics of the financial instruments that are the subject of the order;
- The characteristics of the execution venues to which that order can be directed; and
- Any other circumstance that ACC may deem to be relevant for the execution.

Subject to proper consideration of the execution, where the Company believed that it could trade to the advantage of a Client, it could act as the Execution Venue. In particular, if the Liquidity Provider source is temporarily unavailable during normal trading hours, ACC may execute the CFD trade. Where ACC acts as the Execution Venue, it considers all sources of reasonably available information, including MTFs, local exchanges, brokers and data vendors, to obtain the best possible result for the order.

In respect of these types of instruments, the best possible result for all clients was determined in terms of “total consideration”. Total consideration represents the price and the costs relating to execution.

The Company in accordance of Article 24(1) of MiFID II, regularly assesses the market landscape to determine whether or not there are alternative venues that it could use, or by transmitting client orders instead of execute them itself would deliver a better result for its clients. Moreover, the Company applies its professional and collective experience to access the quality of execution. The RTS 27¹ report is used to evaluate execution venues, and any other relevant source of data. The Company ensured that selected Execution Venues/ Liquidity Providers in our case, has at least all of the following:

- transparent criteria for determining financial instruments that can be traded under their systems;
- non-discriminatory rules for determining access to their systems;
- rules to ensure fair and orderly trading on data systems on their systems;
- rules to facilitate efficient settlement of transactions conclude through their systems.

During the reporting period, the Company did not receive any remuneration, discount or non-monetary benefit from a particular trading venue or execution venue, which would infringe the requirements on us concerning conflicts of interest or inducements or acting in clients’ best interests.

In the view of the above and MiFID’s II requirements, ACC deems that the execution factors and criteria outlined therein were considered and satisfied. The Liquidity Providers enabled the Company to take full advantage of the market price and liquidity. In addition, ACC considers that during the reporting period an appropriate standard of execution in the relevant market was achieved on a consistence basis.

¹ RTS27 refers to the regulatory technical standards under Article 27(10)(a) of MiFID II adopted by the EC on 08/08/2016, Commission Delegated Regulation (EU)2017/575