



Evaluation of the quality obtained from the execution venues used by Alfa Capital Markets Ltd in regards to Contracts for Differences and Rolling Spots

This document, RTS 28 report, is a summary of the analysis and conclusions that Alfa Capital Markets Ltd (hereinafter “ACM” or “Company”) has drawn from its detailed monitoring of execution quality obtained on Execution Venues where it has executed all clients’ orders in the previous year, in respect of Contracts for Differences (hereinafter “CFDs”). This document should be read in conjunction with the Company’s “Order Handling and Best Execution Policy” and the “Best Execution Analysis” tables that are available at the Company’s website.

In compliance with the requirements of Article 3 (3) of the Markets in Financial Instruments Directive 2014/65/EU (“MIFID II”) the Company takes “all sufficient steps” to obtain the best possible result for its clients when executing their orders. ACM undertakes regular assessments of its Execution Venues, and Brokers used, as well as the execution quality provided in order to determine whether existing venues/brokers used by the Company provide the best possible result for its Clients. The assessment takes into consideration the type of financial instrument and relative importance of execution factors associated to the financial instrument involved.

All transactions on CFDs carried out by the Company are executed outside Regulated Markets, MTFs or OTFs. The Company acts on a principal capacity, and acts as the sole ‘Execution Venue¹’, for the execution of clients’ orders. The price of the clients’ transaction is determined based on the price offered to the Company by its Liquidity Provider (s). The Company takes into consideration multiple factors when selecting Liquidity Providers such as the likelihood for execution, operations quality, market position, costs to the Company, swap costs, authorisation/regulation and pricing. The Liquidity Providers used by the Company, in the year of assessment, are authorised and regulated by their National Component Authorities and have passed our selection process and compliance checks.

In respect of CFD transactions, the Company takes into consideration execution factors such as the price, cost, speed, likelihood, size, the nature or any other consideration relevant to the execution of the order.

The Company prioritizes the execution factors for CFD transactions typically taking into account the following criteria in order to provide Clients with the best result for their orders:

1. The characteristics of the Client, including the categorisation of the Client as a Retail or Professional Client or/and applicable risk limits;
2. The characteristics of the Client order, including where the order is ‘Pending or Instant Order’;
3. The characteristics of the financial instruments that are the subject of the order for example, size and likelihood of execution associated with the Financial Instrument, etc.;
4. The characteristics of the execution venues or entities to which that order can be directed. For the year of evaluation this factor was not applicable as the Company was acting as the sole Execution Venue.

¹ Alfa Capital Markets Ltd does not consider itself as Execution Venue but for market transparency and information purpose, it discloses itself as such. MiFID II provides the definition of Execution Venue as a Regulated Market, an MTF, an OTF, a Systematic Internaliser, or a Market Maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.



5. Any other circumstance that ACM may deem to be relevant for the execution or entities to which that order can be directed.

ACM strives to give all clients best execution, irrespective of their categorisation.

For clients classified as Retail client the best possible result was determined in terms of “total consideration”. Total consideration represents the price and the costs relating to execution. In certain cases, the Company prioritized other factors (such as, speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs) 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 the Retail Client. For clients classified as Professional Clients, total consideration may not be an appropriate guide for execution in all cases, for example, speed and likelihood of execution may take precedence during highly volatile market or less illiquid instruments.

The Company acts as principal and therefore it is the sole Execution Venue for the execution of the Clients’ orders. In specific circumstances, the Company may route its own orders to other regulated EU and Non-EU financial institutions. These type of transactions are undertaken Over The Counter (OTC).

In order to comply with the requirement to act in the best interests of its Clients, the Company has the necessary procedures in place, in order to check on a systematic basis, the fairness of the price proposed to the client, by gathering market data, where available, used in the estimation of the price and, where possible, by comparing with similar or comparable products. Moreover, the Company regularly assesses the market landscape by using the new metrics under RTS27² and RTS28 report and other information available by Execution Venues/Brokers on trading conditions and quality of execution across different Execution Venues/Brokers.

As the Company was the only ‘execution venue’ for all client orders executed by it in the year of assessment, the disclosure required by the RTS 28³ regarding close links and common ownership with another execution venue/broker used to execute client orders is therefore not relevant. Conflicts of interests between ACM’s own interests as an ‘execution venue’ and a client’s interests were managed in accordance with the Company’s conflict of interest policy.

² RTS 27 refers to the regulatory technical standards under Article 27(10)(a) of MiFID II adopted by the EC on 08/06/2016, Commission Delegated Regulation (EU) 2017/575

³ RTS 28 refers to the Commission’s Delegated Regulation (EU) 2017/576