

## **Order Execution Policy**

### **Introduction**

We are XTB Limited (“**XTB Limited**”, “**we**”, “**us**” or “**our**”) a company registered in England and Wales (Company Number 07227848) and authorised and regulated by the Financial Conduct Authority (“**FCA**”) (Firm reference number **522157**).

The purpose of this document (“this Execution Policy”) is to provide our clients with information about our order execution policy and to obtain your consent. This policy highlights our approach to order execution and how we aim to achieve the best possible result for clients on a consistent basis. When we enter into trades with You we have a duty to provide you with “best execution”, that is, we will take reasonable steps to obtain the best possible result for our clients.

### **Scope**

This Execution Policy applies to Retail and Professional Clients only. The obligation to provide clients with best execution does not apply to clients categorised as Eligible Counterparties.

This Execution Policy should be read in conjunction with our Agreement. By agreeing to the terms of our Agreement, You are also agreeing to the terms of this Execution Policy.

### **Execution Venue**

When executing your orders, we deal with You as Principal (on a matched principal basis). We are therefore your sole execution venue. Your transactions with us are undertaken over-the-counter (“OTC”) rather than on a regulated exchange or multilateral trading facility (“MTF”). As such, You may be exposed to greater risks than transactions on regulated exchanges or MTFs.

### **Execution Factors and Criteria**

When receiving orders we take into consideration the following factors to decide how to achieve the best possible result for clients:

- price;
- size;
- liquidity of the underlying market (e.g. for orders outside the normal trading size);
- nature of the order or type;
- speed and likelihood of execution and settlement;
- costs; and
- any other consideration relevant to the execution of an order.

When executing an order we will generally treat price as the highest priority for ensuring best execution. In applying this Execution Policy, we will strive to obtain the best price for all clients (price includes the price of the financial instrument to which your order relates and its execution costs). However, in certain circumstances, other factors will require greater importance than price or costs when obtaining the best possible result.

### **Price**

The prices in which transactions may be executed are provided to You via our platforms. In order to provide

the best possible price, we will take all reasonable steps to obtain firm price quotes for your execution, representing the price of underlying financial instruments and the costs related to execution.

Once the market price is established, XTB Limited will create and insert a “spread”. The rules of specifying the prices are set out in the Agreement and Account Information which are displayed on our website at [www.xtb.com](http://www.xtb.com). We reserve the right to amend the spread quoted from time to time.

This Execution Policy does not guarantee that execution at the prices quoted by us will always be executed at a price which is as good as, or better than, one which might have been available elsewhere.

### **Costs**

XTB Limited may charge the following costs:

- **Spreads** - these are indicated in the Spread section which can be located via our website.
- **Commissions** - These are charged on the opening and closing of positions and are set out in the Fees & Commissions section which can be located via our website.
- **Financing Charges** - These will generally be charged on FX, Commodities and Equity CFD positions and represent the interest cost of holding the position. The amount charged depends on whether the position is long or short and is based on Libor. This can be viewed in more detail on the Swap points rate tables in our website.

### **Size**

The size of an order also carries a high degree of importance. We set a minimum and maximum size for instruments. These can be viewed in our Instrument Specification table in our website. In regards to Equity CFD, the maximum trade will vary according to underlying liquidity. The trade will be executed at the discretion of XTB UK.

### **Nature of the Order and type**

Where clients submit specific instructions, i.e. specifying the price at which a trade is to be closed, those instructions take precedence over other any aspects of this policy. However, where special instructions that are submitted by a client results in us having to use a different process than what is specified in this policy, we will pass on to the client any direct costs incurred. The available type of orders and instructions are specified in the Agreement. You should specifically acquaint with the type of orders and instructions available before trading with XTB Limited.

### **Speed of Execution**

We consider speed to be important to our dealing culture, which is why a majority of orders are automated provided You hold enough margin on your account. However, there may be circumstances, such as unusual or volatile market conditions, or even the size of an order, which may result in it being manually priced by our dealing desk. This may cause a delay in processing the order which may affect the price at which your order may be executed.

### **Specific Instructions**

Where You provide us with specific instructions as to the execution of an order, we will execute your order in accordance with your instructions. You should be aware that this may prevent us from following, in whole or in part, our execution policy.

### **Trading hours**

We offer clients the opportunity to trade certain underlying products outside normal hours. In these circumstances, the price offered cannot be derived directly from the market prices as the underlying market may be closed. The price offered will be based upon factors such as movements on markets associated to the relevant underlying product. Other factors such as interest and anticipated dividends will be taken into account in determining the market price. As a result, we will not always be able to offer to You “buy” and “sell” prices which are identical to the market prices for the underlying products.

## **Order’s Execution**

### **General**

Subject to the other provisions of the Agreement, the instant orders are executed at the price indicated by the Client. XTB reserves the right, but not the obligation, to reject the Client’s order, if at the moment of its execution the price of the Underlying Instrument differs from the price of the Client’s order of at least 0,5 standard transactional spread value specified quoted by XTB for a particular Financial Instrument in the Instrument Specification Tables at the moment in which the Client’s order ought to be executed.

The stop orders and limit orders may be placed only when a given Financial Instrument is traded, with the reservation that XTB may accept stop and limit orders on selected trading platform for selected Financial Instruments specified in the Instrument Specification Tables outside of the Trading Day.

The stop orders and limit orders at the opening of the market are executed always on the market opening price.

Instant, market, limit and stop orders, which open new position, shall be executed only if the total nominal value of Open Positions including position that is going to be opened, expressed in Euro, does not exceed the Maximum Nominal Portfolio Value.

### **Specific rules for CFDs.**

#### **Basic Account**

For Basic Account the stop orders and limit orders cannot be placed if the absolute value of the difference between the price of the order’s activation and the current Financial Instrument Price, and in case of placing stop orders and limit orders outside of the Trading Day the last Financial Instrument Price is lower than the minimum limit for a given Financial Instrument. Limit values are available on the XTB’s Website. The limits can be raised in case of the economic data publication (defined in the section Calendar available on the XTB’s website) or in case of a high market volatility on a given Financial Instrument.

Limits may be increased at market openings e.g. on Sunday at 11 pm. Standard limit values are restored to fixed values usually within 10 to 20 minutes after markets open, however, in cases of limited liquidity and enlarged volatility, this period may last longer.

An order placed to execute a Transaction on CFD on the Basic Account may be placed in the following manner:

- a) by placing an instant order at a current price of a CFD published in the Trading Account;
- b) by placing a limit order to execute a Transaction (buy limit; sell limit; take profit “t/p”);
- c) by placing a stop order to execute a Transaction (buy stop; sell stop; stop loss “s/l”).

Limit orders on Basic Account on CFD are executed at the price indicated by the Client or better. Buy stop orders and sell stop orders are executed at the first available market price if the market price reaches or exceeds the price indicated by the Client.

For buy limit orders the highest possible limit is the current Ask price. For sell limit orders the lowest possible limit is the current Bid price. For buy stop orders the lowest possible limit is the current Ask price. For sell stop orders the highest possible limit is the current Bid price.

Stop loss "s/l" orders on the open market on Basic Account for CFDs are guaranteed to be executed at the price indicated by the Client. At the moment of market opening stop loss "s/l" orders are executed at the first available market price, that may be worse than the price indicated by the Client, if the activation level was reached.

### **Standard Account**

An order placed to execute a Transaction on CFD on the Standard Account may be placed in the following manner:

- a) by placing a market order at a current price of a CFD published in the Trading Account;
- b) by placing a limit order to execute a Transaction (buy limit; sell limit; take profit "t/p");
- c) by placing a stop order to execute a Transaction (buy stop; sell stop; stop loss "s/l").

Market orders (market execution) on Standard Account on CFD are executed at VWAP (Volume Weighted Average Price). Prices shown in the Trading Account before placing an Order for market execution are only indicative and are not a binding execution price which will be shown after the effective execution of the Transaction. Market order shall be rejected, if the order's volume exceeds the liquidity available in XTB at the moment of its execution.

Limit orders on Standard Account on CFD are executed at the price indicated by the Client or better. In case of market execution, when the order's volume possible to be executed at the price indicated by the Client or better exceeds the liquidity available at the given moment, the order is executed at the maximum available volume, and the remaining part of the order remains active until its execution or cancellation.

Stop orders on Standard Account on CFD are executed at market prices at the moment of a given stop level activation. In case of market execution, stop orders are executed according to the rules specified for market orders, if the market price reaches or exceeds the price level indicated by the Client. In case of market execution, when, at the moment of activation, the order's volume exceeds the available liquidity, the order is rejected, and stop loss "s/l" order, after being rejected, is restored with all parameters indicated by the Client and executed at the first market price available after its activation.

For buy limit orders the highest possible limit is the current Ask price. For sell limit orders the lowest possible limit is the current Bid price. For buy stop orders the lowest possible limit is the current Ask price. For sell stop orders the highest possible limit is the current Bid price.

### **Professional Account**

An order placed to execute a Transaction on CFD on the Professional Account may be placed in the following manner:

- a) by placing a market order at a current price of a CFD published in the Trading Account;

- b) by placing a limit order to execute a Transaction (buy limit; sell limit; take profit “t/p”);
- c) by placing a stop order to execute a Transaction (buy stop; sell stop; stop loss “s/l”).

Market orders on Professional Account on CFD are executed at VWAP (Volume Weighted Average Price). Prices shown in the Trading Account before placing an order for market execution are only indicative and are not a binding execution price which will be shown after the effective execution of the Transaction. Market order shall be rejected, if the order’s volume exceeds the liquidity available in XTB at the moment of its execution.

Limit orders on Professional Account on CFD are executed at the price indicated by the Client or better. In case of market execution, when the order’s volume possible to be executed at the price indicated by the Client or better exceeds the liquidity available at the given moment, the order is executed at the maximum available volume, and the remaining part of the order remains active until its execution or cancelation.

Stop orders (including stop loss “s/l” Orders) on Professional Account on CFD are executed at market prices valid at the moment of stop level activation, according to the rules specified for market orders. In case of market execution, when, at the moment of activation, the order’s volume exceeds the available liquidity, the order is rejected, and stop loss “s/l” order, after being rejected, is restored with all parameters indicated by the Client and executed at the first market price available after its activation.

For buy limit orders the highest possible limit is the current Ask price. For sell limit orders the lowest possible limit is the current Bid price. For buy stop orders the lowest possible limit is the current Ask price. For sell stop orders the highest possible limit is the current Bid price.

#### **Specific rules for Equity CFDs and ETF CFDs.**

Due to its characteristics rules of placing and executing Orders for Equity CFD and ETF CFD may differ in some aspects from normal CFD rules as specified above. Prior to entering into any Equity CFD or ETF CFD Transaction the Client should become aware of how different order types are executed for these Financial Instruments and how it may influence the price of a Transaction.

An order placed to execute a Transaction on Equity CFD or ETF CFD may be placed in the following manner:

- a) by placing a market order at a current price of an Equity CFD or ETF CFD, published in the Trading Account;
- b) by placing a limit order to execute a Transaction (buy limit; sell limit; take profit “t/p”);
- c) by placing a stop order to execute a Transaction (buy stop; sell stop; stop loss “s/l”).

Market orders on Equity CFD and ETF CFD are executed at VWAP (Volume Weighted Average Price). Prices shown in the Trading Account before placing an order for market execution are only indicative and are not a binding execution price which will be shown after the effective execution of the Transaction. If relevant Underlying Instrument is currently suspended from trading (frozen) for any reason, then Client's order will be rejected by the underlying exchange or remains active in accordance with the trading rules of the underlying exchange.

Limit orders on Equity CFDs or ETF CFDs are executed at the price indicated by the Client or better. In case of market execution, when the order’s volume possible to be executed at the price indicated by the Client or

better exceeds the liquidity available at the given moment, the order is executed at the maximum available volume, and the remaining part of the order remains active until its execution or cancellation.

Stop orders on Equity CFDs or ETF CFDs are executed as market orders in the moment of a given stop level activation.

For buy limit orders the highest possible limit is the current Ask price. For sell limit orders the lowest possible limit is the current Bid price. For buy stop orders the lowest possible limit is the current Ask price. For sell stop orders the highest possible limit is the current Bid price.

Stop orders and limit orders on Equity CFD or ETF CFD, placed without the specified time limit, remains valid until the end of a given session.

### **Orders' time of execution**

XTB executes Clients' orders in the sequence they are received, unless something different results from the Agreement or the conditions of an order specified by the Client. In the period when market opens standard times of order's executions as set out below do not apply.

With the reservation of specific provisions of the Agreement, an Open Position on CFD may be closed without Client's consent after 365 days from the date of opening the position, at the first Financial Instrument Price provided by XTB after that period, unless:

- a) the Client closes the position;
- b) XTB exercises the right to close Client's Transaction beforehand in situations specified in the Agreement.

### **Monitoring and Review**

We will monitor the effectiveness of our order execution arrangements and this Execution Policy in order to identify any deficiencies, and where appropriate, to incorporate amendments. This Execution Policy will be reviewed at least every 12 months.

We will notify You of any material changes to this Execution Policy or to our execution arrangements.

### **No Fiduciary Relationship**

Our commitment to provide You with best execution does not mean we owe You or assume any fiduciary responsibilities other than those imposed by any applicable rules and regulations or as agreed in our Customer Agreement.

If You would like more information please contact us or visit our website at [www.xtb.co.uk](http://www.xtb.co.uk).