

## **XTB Limited (Ex. DUB Investment Ltd)** **Execution Quality Summary Statement** **Execution of Orders on CFDs during 2018**

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### **1. INTRODUCTION**

XTB Limited (Ex. DUB Investments) (hereinafter, the "Company") is an Investment Firm incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 296794. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (hereafter the "CySEC") under the license number 169/12.

This is the **Execution Quality Summary Statement** (hereinafter, the "Statement") of the Company, with the application of the Investment Services and Activities and Regulated Markets Law of 2017, pursuant to the requirement of disclosure of such information under Regulation EU 2017/576 supplementing MiFID II. MiFID II is the European Parliament and Council's Directive 2014/65/EC.

The Company is required to inform all its Retail and Professional Clients about all sufficient steps taken to obtain the best possible result for its Clients ("best execution") either when executing Client orders or receiving orders for execution in relation to financial instruments. This Statement is a summary of those sufficient steps taken by the Company in addition to those referred in the [Best Execution Policy](#) of the Company, as well as analysis and conclusions derived by the monitoring undertaken with respect to Clients orders' execution on the execution venues utilized by the Company within 2018 in relation to the Asset Class of CFDs.

This Statement provides information on the Best Execution Policy.

### **2. APPLICATION**

This Policy applies to Retail and Professional Clients of the Company

In the case of Retail Clients, in applying the best execution in the normal course of business, we determine the best possible result in terms of total consideration. Total consideration is the price of the financial instrument concerned and the costs payable by the retail Client as a result of execution. These costs include all expenses incurred that are directly related to the execution of the order (such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order). These costs do not include our own commission, spread or margin. We may take the other execution factors into account where they are instrumental in delivering the best possible result (in terms of total consideration) for the retail Client.

The application of the best execution is neither a guarantee that the best price will be obtained nor a guarantee that the transaction will be executed in full.

The EQSS and the relevant tables will remain on the Company's website for two years at least post its publication.

### **3. RELATIVE IMPORTANCE OF EXECUTION FACTORS DURING 2018**

For the assessment of execution of Clients' Orders the Company takes into consideration the following factors:

- (a) Price
- (b) Cost
- (c) Speed
- (d) Likelihood of execution
- (e) Likelihood of settlement
- (f) Size of order
- (g) Market Impact
- (h) Nature of order.

You may refer to the best execution policy of the Company for further details on the above.  
Under review the Company offered services to the following categories of clients:

i. **Retail Clients**

For these clients, the Company by virtue of the applicable regulatory framework is required to provide best execution in accordance with total consideration whereby total consideration represents the price of the Financial Instrument and the costs related to execution, which include all expenses incurred by the client which 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.

#### 4. EXECUTION VENUES USED BY THE COMPANY

During the year under review, the Company's sole execution venue was X-Trade Brokers Dom Maklerski S.A., with Registered address: Warszawa Ogrodowa 58, 00-876, Warszawa, PL, ("X-Trade") a company authorised and Regulated by the Komisji Nadzoru Finansowego ("KNF") which is the Direct Shareholding Company of XTB Limited (ex. DUB Investments Limited).

No.	Name of Execution Venue	Country of Establishment	Commencement date of the relationship with the Company	End date of the Business relationship with the Company
1	<b>X-Trade Brokers Dom Maklerski S.A.</b>	<b>Poland</b>	April/2012	<b>N/A</b>

In selecting an execution venue for the execution of a transaction, the Company takes into account the following in respect of the venue concerned:

- price
- cost of execution
- liquidity available for the financial instruments concerned
- speed of execution
- reliability of the venue
- continuity of trading
- creditworthiness – good standing of the venue
- quality of any related clearing and settlement facilities, and
- such other factors as we consider relevant to the application of the overarching principle.

The Company notes that during the year under review did not change the list of execution venues as these are listed in its [Best Execution Policy](#).

#### 5. CONFLICTS OF INTEREST

The Company maintains close links and common ownership structures with the execution venue X-Trade Brokers Dom Maklerski S.A., with Registered address: Warszawa Ogrodowa 58, 00-876, Warszawa, PL, ("X-Trade") a company authorised and Regulated by the Komisji Nadzoru Finansowego ("KNF") which is the Direct Shareholding Company of XTB Limited (ex. DUB Investments Limited). Irrespective of the fact that both the Company and X-Trade share close relationship the Company has in place sufficient safeguards against such conflicts of interests.

The Company implements and has in place sufficient measures to mitigate such conflicts. For additional information please refer to the [Summary of Conflicts of Interests Policy](#) disclosed in the Company's website.

## **6. PAYMENTS OR NON-MONETARY BENEFITS BETWEEN THE COMPANY AND ITS EXECUTION VENUES**

The Company does not add a mark-up on the spread of the underlying CFD as received from its execution venues prior to offer it to its Clients.

The quoted price includes spread at which the Company may be able to transact in the market. We may take into account a number of factors in quoting a price, including the following:

- the risk that the Company assumes under the transaction
- operational costs
- counterparty, capital, and funding related costs
- fees and costs that arise during the execution and lifetime of the transaction
- the level of service provided to the Client
- other factors specific to the Client, and
- any pre-agreed fee/spread charges.

The relative contribution of each of these factors may vary from transaction to transaction. It is the responsibility of the Client to determine whether or not to accept the quoted all-in price.

## **7. TOOLS AND DATA USED DURING THE YEAR UNDER REVIEW**

The Company during the Year Under Review deployed a number of methodologies and tools in order to monitor, and where applicable adjust, its execution parameters in order to ensure consistency with its overarching obligation to offer the best possible result for its clients' orders. In broad terms the Company monitors on an ongoing basis its execution arrangements by selecting appropriate samples of orders executed and evaluates the samples in accordance to the following dimensions:

- (a) Evaluating the Company's execution venues in accordance to the following:
  - Pricing Frequency (price updates in real time);
  - Speed of execution;
  - Frequency and duration of price freezing ;
  - Depth of liquidity;
  - Pricing transparency ;
  - Slippage frequency etc.
- (b) Price Fairness by comparing independent prices relayed by independent market data providers with the prices quoted by its execution venues, as well as comparing prices between execution venues not listed in the company's execution venues list. For this purpose the Company has subscribed to independent price aggregators (such as Bloomberg, Thompson Reuters, etc.) or any other relevant data.
- (c) Technological prowess of Company systems (responsiveness of interface, lag, integration with the IT systems of the execution venues etc.).

## **8. ONGOING MONITORING**

The Company monitors the arrangements described in this Statement in order to identify any deficiencies and to assess whether we need to make any changes. This monitoring includes the monitoring of the performance of connected parties and other third parties to whom we may engage in the future to transmit Client orders to.

The Company monitors on an ongoing basis its execution arrangements by checking the orders executed and evaluates them taking into consideration the below:

- Price updates (ticks per minute)
- Latency (speed of execution – time from reception to execution)

- Market depth of its venues with respect to all CFDs offered
- Price freezing or halts
- Spreads widening
- Any possibility of wrongly matched orders
- Technology – connectivity of platforms with the execution venues
- Comparison of pricing (for the quotes provided pre-execution and the price obtained post execution) with independent price data providers such as Bloomberg, Thomson Reuters etc.
- Slippage monitoring (where occurs to be balanced and reasonably justified)

The Company's Brokerage Department is monitoring the above in coordination with the IT Department and reports to the Senior Management of the Company at least on a monthly basis.

Finally, the above monitoring procedure is under the review of the Control functions of the Company, namely the Compliance and Internal Audit functions which report directly to the Board of Directors of the Company their findings and recommendations on an annual basis at least.

**9. INFORMATION ON THE TOP FIVE EXECUTION VENUES DURING 2018 (RETAIL CLIENTS).**

Class of Instrument		Contracts for Difference (CFD)			
Notification if <1 average trade per business day in the previous year		No			
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
X-Trade Brokers DM S.A LEI: 259400AVUPSABLEXNT19	100%	100%	9.42%	90.58%	0.00%

Class of Instrument		CFD on Stocks, ETF CFD, Synthetic Stocks			
Notification if < 1 average trade per business day in the previous year		No			
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
X-Trade Brokers DM S.A. LEI: 259400AVUPSABLEXNT19	100%	100%	0.13%	99.87%	0.00%

**10. INFORMATION ON THE TOP FIVE EXECUTION VENUES DURING 2018 (PROFESSIONAL CLIENTS).**

Class of Instrument	Contracts for Difference (CFD)				
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
X-Trade Brokers DM SA	100%	100%	2.71%	97.29%	0.00%
LEI: 259400AVUPSABLEXNT19					

Class of Instrument	CFD on Stocks, ETF CFD, Synthetic Stocks				
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
X-Trade Brokers DM SA	100%	100%	18.73%	81.27%	0.00%
LEI: 259400AVUPSABLEXNT19					