



Execution Quality Summary Statement
for the year 2017
on execution arrangements for CFDs

DEPAHO LIMITED

CIF 161/11

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Purpose

The Execution Quality Summary Statement (hereinafter the “**EQSS**” or the “**Statement**”) is a statement that Depaho Limited (hereinafter the “**Company**”), an Investment Firm authorised and regulated by the Cyprus Securities and Exchange Commission with Licence Number 161/11, is required to disclose to its clients under Regulation EU 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council, with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.

The EQSS is a summary of the analysis and conclusions the Company drew from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders during the year 2017, covering a full year cycle (hereinafter the “**Year Under Review**”).

The Company urges its clients and/or potential clients to read the Statement carefully as it contains information on how the Company executes orders to execution venue(s) when operating under the Straight Through Processing (STP) model in relation to the Asset Class of Contracts for Difference (CFDs).

The EQSS along with the accompanying tables will remain on the Company’s websites for at least two years post its publication.

1. Relative Importance of Execution Factors during the Year Under Review

The Company when executing clients' orders is required under the relevant regulatory framework to assign relative importance to the following execution factors:

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

For details on how each factor is assessed ex ante when executing clients' orders please refer to the Company's [Order Execution Policy](#). During the year 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 and 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.

ii. Professional Clients (including per-se Professional and elective Professionals)

During the year under review, the Company placed emphasis on price and execution costs, aligning its execution arrangements for these clients as those applicable to Retail Clients (see point i above).

2. Execution Venues during the year under review

The Company's execution venue(s) during the year under review were:

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	Forex Capital Trading PTY Ltd	Australia	May 2013	N/A

The Company maintains close links or common ownership structures with the execution venue Forex Capital Trading PTY Ltd (hereinafter the "**Liquidity Provider**"), established in Australia and regulated by the Australian Securities and Investments Commission (ASIC).

3. Change of Execution Venues during the year under review

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

4. Conflicts of Interest

As mentioned in section 2 above, the Company maintains common ownership structures with the Liquidity Provider. Irrespective of the fact that both the Company and the Liquidity Provider share a close relationship, the Company has in place sufficient safeguards against any potential conflicts of interest.

The Company provides a non-exhaustive list in its [Conflict of Interest Policy](#), of the possible conflicts of interest that may arise, inclusive of conflicts of interest in relation to the execution venue(s) it uses, as well as the relative mitigation measures.

5. Payments or non-monetary benefits (made or received) to/by Execution Venues

The Company sends orders for execution to its Liquidity Provider. The Liquidity Provider charges the Company various fees for the execution of the Company's orders. Such fees include spreads and overnight/swap/premium fees.

During the year under review the Company's arrangements with the Liquidity Provider stipulated that the Company received a specific amount of commission per Leg executed, and the prices received from the Liquidity Provider were offered without additional mark-up. The Company acknowledges that such a payment from the Liquidity Provider entails an inherent conflict of interest on its behalf that may, if not mitigated properly, endanger the Company's obligation to act in the best interest of its clients. The Company has in this respect robust control mechanisms to monitor and mitigate such conflicts, specifically referred to in the Company's Conflicts of Interest Policy.

6. 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 its execution arrangements on an ongoing basis by selecting appropriate samples of orders executed and evaluating the samples as described below.

- (a) Evaluating the Company's execution venue(s) in accordance with 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) Evaluating price fairness by comparing independent prices relayed by independent market data providers with the prices quoted by its execution venue(s), 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 the independent price aggregator Bloomberg, and uses quarterly reports published by other execution venues that trade similar or identical financial instruments with those offered by the Company.
- (c) Evaluating the technological prowess of the Company's systems, i.e. responsiveness of interface, lag, integration with the IT systems of the execution venue(s), etc.

7. Reviews of Execution Monitoring - Control Functions

The Company monitors execution on a frequent basis with the evaluation process described in Section 6 above and if actions are required, liaises with the Company's senior management for next steps.

The Company's control functions (Compliance and Internal Audit) scrutinise the monitoring procedure and the actions taken by the Company's senior management. The Company's control functions present their findings to the Company's Board of Directors at least annually, for further scrutiny and actions.

Depaho Ltd					
Information on the top five execution venues during the year 2017 (Retail Clients)					
Class of Instrument	Contracts for difference (CFDs)				
Notification if < 1 average trade per business day in the previous year	N				
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	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
FOREX CAPITAL TRADING PTY LTD - 213800EGICHDL9Y8IF14	100%	100%	100%	0%	0%
Name and Venue Identifier (MIC or LEI)					
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