



**DEPAHO LIMITED**  
**ORDER EXECUTION POLICY**

September 2018

## Introduction

Depaho Limited (the “**Company**”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (license number 161/11). The Company is also authorised by the Financial Services Conduct Authority in South Africa (the “**FSCA**”) (license number 47709). Following the implementation of the second Markets in Financial Instruments Directive (MiFID II) in the European Union and in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 (Cyprus Law 87(I)/2017) as this is amended from time to time, the Company is required to provide its Clients with its Order Execution Policy (the “**Policy**”).

Under the above-mentioned legislation, the Company is required to take all reasonable steps to obtain the best possible result (or “**best execution**”) on behalf of its Clients either when executing Client Orders or receiving and transmitting Orders for execution. The Policy sets out how the Company shall obtain best execution and provides appropriate information to its Clients on its Policy.

The present Policy forms part of the Agreement. By entering into the Agreement with the Company, Clients also agree to the terms and conditions of the Policy, as set out in this document.

## Scope

The Policy applies to retail and professional Clients. This Policy applies when receiving and transmitting Client Orders and/or executing Client Orders for the Financial Instruments provided by the Company. The Financial Instruments provided by the Company are derivatives of an underlying Financial Instrument, and it is up to the Company’s sole discretion to decide which types of Financial Instruments to make available, and to publish the prices at which these can be traded. In relation to individual transactions in Contract for Differences (“**CFDs**”) with the Execution Venue, the Company always acts as an agent acting on behalf of Clients. The Counterparty (or principal) to every trade is always Forex Capital Trading Pty Ltd (“**FXCT**”) (Australian Financial Services license number 306400); therefore, if the Client decides to open a position in a Financial Instrument with FXCT, then that Open Position can only be closed with FXCT. The Client is given the option to place the following Orders for execution with the Company in the following ways:

- The Client places a market Order which is an Order instantly executed against a price that the Company has provided from FXCT (the Execution Venue). The Client may attach to a market Order a Stop Loss and/or Take Profit. Stop Loss is an Order to limit Client’s loss, whereas Take Profit is an Order to limit Client’s profit. The Client may enter, cancel or modify the Stop Loss and/or Take Profit of an Open Position at any given moment. Once the position has been closed the Client cannot alter the Stop Loss or Take Profit levels.
- The Client places a Pending Order, which is an Order to be executed at a later time at the price that the Client specifies. The Company shall monitor the Pending Order and when the price provided by the Company reaches the price specified by the Client, the Order shall be executed at that price. The following types of pending Orders are available: Buy Limit, Sell Limit, Buy Stop and Sell Stop. The Client may attach to any pending Order a Stop Loss and/or Take Profit. The Client may modify an Order before it is executed. Once the position has been closed the Client cannot alter the Stop Loss and Take Profit levels. The Client has no right to change or remove Stop Loss, Take Profit and Pending Orders if the price has reached the level of the execution. When a Client uses a Stop Loss and Take Profit for the same Order, the relationship between the two Orders shall be OCO (One Cancels the Other). In other words, when the Stop Loss level is reached the Take Profit Order shall be automatically cancelled and vice versa.

## Best Execution

The Company shall take all reasonable steps to obtain the best possible result for its Clients, taking into account the following factors when executing Clients Orders against the Company’s quoted prices:

## 1. Price

For any given Financial Instrument the Company shall quote two prices: the higher price, or Ask Price, at which the Client can buy (i.e. go long) that Financial Instrument, and the lower price, or the Bid price, at which the Client can sell (i.e. go short) that Financial Instrument; collectively they are referred to as the Company's price. The difference between the Ask Price and the Bid Price of a given Financial Instrument is the spread. Short positions shall be closed at the ASK price (whether the transaction is closed manually by the Client, or through the Stop Loss or Take Profit). Long positions shall be closed at the BID price (whether the transactions are closed manually by the Client or through the Stop Loss or Take Profit). The Company's price for a given Financial Instrument is calculated by reference to the price of the relevant underlying Financial Instrument, which the Company obtains from third party external reference sources.

The Company's prices are constructed with reference to the given Financial Instrument list, which can be found on the Company's Website under the section [Product Sheet & Costs](#) available to all Clients. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews its used third party external reference sources at least annually, to ensure that the data obtained continues to be competitive. The Company shall not quote any price outside the Company's Operating (Trading) Time, so no Orders can be placed by the Client during that time.

## 2. Orders

Buy Stop, Sell Stop, Buy Limit, Sell Limit, Take Profit, Stop Loss, placed on Financial Instruments contracts are executed at the prices specified by the Client on the first current price touch. However, under certain trading conditions it may be impossible to execute Orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop) on any Financial Instrument contract at the declared price. In this case the Company has the right to execute the Order at the next best available price. This may occur, for example: at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange, trading is suspended or restricted; at trading session start moments; during volatile markets where prices may be moving significantly up or down and away from the declared price; and during news time. Another example is when the market opens after the weekend, at a different price from the time of closure, thus causing a price gap.

The Company makes every effort and necessary arrangements to provide the best possible price to its Clients, however, under certain circumstances as exemplified above, it may be impossible to guarantee the execution of any or all of the Pending Orders at the declared price.

## 3. Costs

For opening a position in some types of Financial Instruments the Client may be required to pay commission or financing fees, the amount of which is disclosed in the [Product Sheet & Costs](#) on the Company's Website. Commissions may be charged either in the form of a percentage of the overall value of the trade or as a fixed amount.

In the case of financing fees, the value of opened positions in some types of Financial Instruments is increased or reduced by a daily financing/rollover fee throughout the life of the contract. Financing fees are based on prevailing market interest rates, which may vary over time.

For all types of Financial Instruments that the Company offers, the commission and financing fees are not incorporated into the Company's quoted price and are instead charged/paid explicitly to the Client's Trading Account.

#### **4. Speed of Execution**

The Company acts as an agent and not as a principal on the Client's behalf, and the Company's sole Execution Venue for the execution of Clients' Orders for Financial Instruments is FXCT. The Company places a significant importance when executing Clients' Orders and strives to offer high speed of execution within the limitations of technology and communications links. The use of any form of unstable Internet connection may result in delays in the transmission of data between the Client and the Company when using the Company's electronic trading Platform. The delay might result in sending out of date market Orders to the Company, which might be declined by the same, or requesting from the Client to retry to submit the Order.

If the Client undertakes transactions on an electronic system, he shall be exposed to risks associated with the system, including the failure of hardware and software (e.g. Internet and servers). The result of any system failure may be that the Order is either not executed according to the instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure. The use of wireless connection or dial-up connection or any other form of unstable connection at the Client's end, may result in poor or interrupted connectivity or lack of signal strength, causing delays in the transmission of data between the Client and Company when using the Company's Platform. This delay may result in sending out of date market Orders to the Company, which might be declined by the same.

The Client may request the Company to execute upon receipt, instructions conveyed by telephone, facsimile, e-mail or any other written or verbal means of communication that each of the present and future Account holders, attorneys and duly authorised representatives shall give individually to the Company, even if these instructions are not followed by a confirmation in writing. The Company does not accept any liability in case of a misunderstanding, error in the identification of the person giving the instruction or other errors on its part related to such method of communication and which may involve losses or other inconveniences for the Client. The Company reserves the right not to execute instructions transmitted by telephone or facsimile. Telephone conversations may be recorded and you will accept such recordings as conclusive and binding evidence of the instructions.

#### **5. Likelihood of Execution**

The Company is not the Execution Venue for the execution of the Client Orders in CFDs. So, in relation to individual CFDs transactions, the Company does not execute Client Orders on an own account basis as a counterparty towards its Client. The Company transmits Client Orders or arranges for their execution with the third party Liquidity Provider FXCT, the Execution Venue, and not the Company. The Company relies on its Liquidity Provider for prices and available volume and transmits Client Orders for execution to this counterparty. Execution of Client Orders will depend on the pricing and available liquidity of the said provider. Although the Company executes all Orders placed by Clients, it reserves the right to decline an Order of any type and/or to offer the Client a new price. In this case, the Client can either accept the new price or try again to place an Order at the market price.

#### **6. Likelihood of Settlement**

The Company shall proceed to settlement of all transactions upon execution of such transactions.

#### **7. Size of Order**

- a) Forex (CFDs): minimum size Order 5,000 Base Currency Units / FX CFDs: USD5,000 or equivalent amount in other currency;
- b) CFDs on value of Commodities, Stocks and Indexes = 1 Unit for a standard Account (1 Unit = 1 contract e.g. 100 ounces of Gold=100) with minimum size Order of USD5,000 or equivalent

amount in other currency.

The Company reserves the right to decide on the minimum and maximum size of an Order (Lot size) based on the Client's profile and/or initial deposit. Although there is no maximum size of Order that the Client can place with the Company, the Company reserves the right to decline an Order as explained in the Agreement entered into with the Client.

The Company reserves the right to limit the exposure of a Retail Client up to USD 30,000,000 per Account unless agreed otherwise with the Client.

## **8. Market Impact**

Some factors may rapidly affect the price of the underlying Financial Instruments from which the quoted Company price for these is derived. These factors may influence some of the factors under paragraph 2 of this Policy. The Company shall take all reasonable steps to obtain the best possible result for its Clients. The Company does not consider the above list exhaustive and the Order in which the above factors are presented shall not be taken as a priority factor.

Nevertheless, whenever there is a specific instruction from the Client, the Company shall ensure that the Client Order is executed following the specific instruction or according to the next best available price.

The Company shall determine the relative importance of the above factors by using its commercial judgment and experience as per the information available on the market and taking into account the criteria described below:

- a) the characteristics of the Client including his categorization as Retail or Professional;
- b) the characteristics of the Client Order;
- c) the characteristics of the Financial Instrument that is the subject of that Order.

When executing an Order on behalf of a Retail Client, the best possible result shall be determined in terms of the total consideration, representing the price of the Financial Instruments and the costs relating to execution, which shall include all expenses incurred by the Client which are directly relating 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.

### **Slippage**

You are warned that Slippage may occur when trading in CFDs. This is the situation when, at the time that an Order is presented for execution, the specific price shown to the Client may not be available; so, the Order shall be executed at the next best available price from the Client's requested price. Slippage is the difference between the expected price of an Order, and the actual price at which the Order was executed. If the execution price is more favourable than the price requested by the Client, this is referred to as positive Slippage. If the executed price is worse than the price requested by the Client, this is referred to as negative slippage.

Be advised that Slippage is a normal element when trading in Financial Instruments. It occurs most often during periods of illiquidity or higher volatility, for example due to news announcements, economic events or market openings, making it impossible to execute an Order at a specific price. In other words, your Order may not be executed at the declared price. It is noted that Slippage can also occur with Stop Loss, Take Profit and other types of Orders. The Company does not guarantee the execution of your Pending Orders at the price specified. However, the Order shall be executed at the next best available price from the price specified under the Pending Order.

## **Execution Venues**

Execution Venues are the entities with which the Orders are placed or to which the Company transmits Orders for execution. For the purposes of Orders for the Financial Instruments provided by the Company, the Company acts as an agent on the Client's behalf. FXCT is the sole Execution Venue for the execution of Client Orders.

The Operating (Trading) Time of the Company is around-the-clock, from Sunday 22:00:01 Greenwich Mean Time (GMT) through Friday 22:00:00 GMT. Non-working periods: from Friday 22:00:01 GMT through Sunday 22:00:00 GMT. Holidays are announced on the Company's Website.

The Company places significant reliance on the above Execution Venue based on the above-mentioned factors and their relevant importance. It is the Company's policy to maintain such internal procedures and principles in order to act in the best interest of its Clients and provide them the best possible result.

The Client acknowledges and consents that the Transactions in Financial Instruments entered with the Company's Execution Venue are not undertaken on a recognized exchange; they are undertaken through the Company's Trading Platform (i.e. Over-The-Counter) and, accordingly, may expose the Client to greater risks than regulated exchange transactions.

The Company may not execute an Order or it may change the opening/closing price of an Order in case of any technical failure of the trading Platform or quote feeds. The terms and conditions and trading rules are established solely by the counterparty, FXCT. The Client shall close an Open Position of any given Financial Instrument during the opening hours of the Company's Trading Platform, and shall close any position with the same counterparty with whom it was originally entered into, thus FXCT.

## **Monitoring and Review**

The Company shall monitor the effectiveness of this Policy on a regular basis and, in particular, the execution quality of the procedures explained in the Policy and, where appropriate, may correct any deficiencies.

The Company shall review the Policy at least annually, and whenever a material change occurs that affects the ability of the Company to continue to execute Client Orders with the best possible result on a consistent basis through its Execution Venue.

The Company shall notify its affected Clients on any changes to its Policy by publishing these on the Website available to all Clients.

## **Client Consent**

Prior to establishing a business relationship with the Client, the Company shall obtain the Client's consent to the Privacy Notice. The Company shall also obtain the Client's prior express consent before it executes or transmits any Order for execution outside a regulated market or an MTF (Multilateral Trading Facility). The Company may obtain the above consents in the form of a general Agreement where the Client is informed that for any Orders placed with the Company for the Financial Instrument offered by the Company, the Company acts as an agent on the Client's behalf, and the sole Execution Venue for the execution of Client Orders is FXCT.

## **Clients' Specific Instructions**

Whenever there is a specific instruction from or on behalf of a Client, the Company shall execute the Client



Order in accordance with the specific instruction, to the extent possible.

**WARNING:** The nature of a Client's specific instruction, or trading rules for specific markets, or market conditions, may prevent the Company from following that instruction or from obtaining the best possible result, as explained in this Policy.

### **Margin Close-Out**

As of 1 August 2018, if the total margin in an Account falls under 50% of the amount of margin required in respect of the Open Positions, the Company shall close one or more of these, at the current market price. Margin Close-Out shall also apply to positions with a Stop Loss Order or limited risk protection. Any Pending Orders to be executed after 1 August 2018 shall be subject to the 50% Margin-Close Out rule, whereas this rule shall not apply to positions opened prior to this date. The reason for closure of a position can be found in the Client's activity log on his Account.

As of 1 October 2018, when Margin Close-Out is triggered, a full-hedged position to the position that was opened last shall be opened automatically by the system (Hedge of Newest Positions). This action shall be repeated at any time Margin Close-Out is triggered and may be repeated until all open positions are hedged. Any new orders for opening positions shall exclude any positions that were opened prior to 1st August 2018. In case of any existing Stop Loss or Take Profit, the new related positions will have the same rates of the Stop Loss or Take Profit. In case the market moves too fast and there is a requote, the system may not hedge the position. Any hedged positions cannot be closed by the client via his platform; if the client wishes to close any hedged positions, he must make the request by contacting the Brokerage Department on the phone line (+357)22300542 and giving verbal instructions. Any hedged positions shall not be opened again or renewed if they are already fully hedged. In case Margin Close-Out is triggered and the symbols of the position are out of market hours, then the position(s) shall not be hedged.

The Client fully acknowledges and accepts that the Hedge of Newest Positions may affect his equity negatively and in case of accumulated losses from the opening of the new related positions, the Client agrees that he does not hold the Company liable. In the event that the Client does not agree to the terms of the Hedge of Newest Positions as described in paragraphs 2.1, 11.6.1 and 11.6.2 of the Service Agreement, then the Client must inform the Company by sending a written request to the Brokerage Department.