



# Summary Best Interest And Order Execution Policy

## 1. Introduction

1.1. This Summary Best Interest and Order Execution Policy (“the Policy”) is provided to you (our Client or prospective Client) in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law, as subsequently amended from time to time (“the Law”). Pursuant to the Law, InterMagnum (“the Company”, “we”) is required to take all reasonable steps to act in the best interest of its Clients when executing Client Orders and to achieve the best execution results when executing Client Orders as well as to comply, in particular, with the principles set out in the Law when providing investment services.

By opening a trading account with the Company to trade in CFDs you agree/consent/acknowledge to the fact that your Orders will be executed outside a Regulated Market (e.g. Licensed European Stock Exchange) or a Multilateral Trading Facility (e.g. European Financial Trading System).

The Company executes client orders only on Contracts for Differences in stocks, commodities, indices and currency pairs and Crypto and FX assets

## 2. Scope

2.1. This Policy applies to both Retail and Professional Clients (as defined in the Company’s [Client Categorisation Policy](#)). If the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to such a Client.

2.2. This Policy applies when executing Client Orders for all the types of CFDs, Crypto and FX assets offered by the Company.

## 3. Best Execution Factors

3.1. When executing client orders, we will take all reasonable steps to achieve/obtain the best possible outcome/result (“Best Execution”) for you, taking into account the price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the Order (“Best Execution Factors”), as follows:

### Price:

BID – ASK Spread: For any given CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy (go long) that CFD, and the lower price (BID) at which the Client can sell (go short)



that CFD. Collectively, the ASK and BID prices are referred to as the Company's prices. The difference between the lower and the higher price of a given CFD is the spread.

Pending Orders: Such Orders as Buy Limit, Buy Stop and Stop Loss, Take profit for opened short position are executed at ASK price. Such Orders as Sell Limit, Sell Stop and Stop Loss, Take profit for opened long position are executed at BID price.

**If the price reaches an Order set by you such as:** Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop, then these Orders are instantly executed. However, under certain trading conditions it may be impossible to execute Orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop) at the Client's requested price. In this case, the Company has the right to execute the Order at the first available price without any prior confirmation by you. This may occur, for example, at times of rapid price fluctuations, 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, or this may occur at the opening of trading sessions. The minimum levels for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop Orders, for a given CFD, are specified under the Client Agreement.

The price quoted for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third party external reference sources. The Company's prices can be found on the Company's website or trading platforms. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews its third party external reference sources from time to time to ensure that the data obtained continues to remain competitive. The Company will not quote any price outside the Company's operating hours (i.e. Saturday 00:00 – Sunday 24:00) therefore no Orders can be placed by the Client during that time.

Our Policy cannot provide a guarantee that, when executing an order, our price will always be better than one which is or might have been available elsewhere.

#### **Costs:**

For opening a position in some types of CFDs the Client may be required to pay commission or financing fees, the amount of which is disclosed on the Company's website.

Commissions: Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amounts.

Financing Fee: In the case of financing fees, the value of opened positions in some types of CFDs is increased or reduced by a daily financing fee "swap rate" throughout the life of the CFD. Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are available on the Company's website. For all types of CFDs that the Company offers, the commission and financing fees are not incorporated into the Company's quoted price and are instead charged explicitly to the Client account.

#### **Speed of Execution:**



The Company does not execute the Client Order in CFDs as principal to principal against the Client, i.e. the Company is not the Execution Venue (as defined in Commission Directive 2006/73/EC implementing MiFID) for the execution of the Client Order. The Company transmits Client Orders or arranges for their execution with a third party(ies) (i.e. Execution Venues). The Company places a significant importance when executing Client Orders and strives to offer high speed of execution within the limitations of technology and communications links. For instance, in cases where Clients are using a wireless connection or a dial up connection or any other communication link that can cause a poor internet connection then this may cause unstable connectivity with the Company's trading platform resulting to the Client placing his Orders at a delay and hence the Orders to be executed at better or worst prevailing price offered by the Company.

**Likelihood of Execution:**

The Company transmits Client Orders or arranges for their execution with a third party(ies) (i.e. Execution Venues); hence, execution may sometimes be difficult. The likelihood of execution depends on the availability of prices of the Execution Venue(s). In some cases it may not be possible to arrange an Order for execution, for example but not limited in the following cases: during news times, trading session start moments, during volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price, a force majeure event has occurred. In the event that the Company is unable to proceed with an Order with regard to price or size or other reason, the Order will not be executed. In addition, the Company is entitled, at any time and at its discretion, without giving any notice or explanation to the Client, to decline or refuse to transmit or arrange for the execution of any Order or Request or Instruction of the Client in circumstances explained in the Client Agreement.

**Likelihood of Settlement:**

The Financial Instruments (i.e. CFDs) offered by the Company do not involve the physical delivery of the underlying asset, so they are not settled physically as there would be for example if the Client had bought shares. All CFDs are cash settled.

**Size of Order:**

The minimum size of an Order is different for each type of Trading Account. A lot is a unit measuring the transaction amount and it is different for each type of CFD. Please refer to the Company's website for the value of minimum size of an Order and each lot for a given CFD type. Please refer to the Company's website for the value of the maximum volume of the single transaction. The Company reserves the right to decline an Order due to its size as explained in the Client Agreement.

**Market Impact:**

Some factors may rapidly affect the price of the underlying instruments/products from which the Company's quoted price is derived and may also affect other factors listed herein. These factors may



influence some of the factors listed above. The Company will 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 priority factor.

#### **4. Execution Practices in CFDs**

##### **(a) Slippage**

You are warned that Slippage may occur when trading in Financial Instruments (including CFDs). This is the situation when at the time that an Order is presented for execution, the specific price showed to the Client may not be available; therefore the Order will be executed close to or a number of pips away from the Client's requested price. So, Slippage is the difference between the expected price of an Order, and the price the Order is actually executed at. If the execution price is better 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. Please be advised that Slippage is a normal element when trading in financial instruments (including CFDs,FX and Crypto Currencies). Slippage more often occurs during periods of illiquidity or higher volatility (for example due to news announcements, economic events and market openings and other factors) making an Order at a specific price impossible to execute. In other words, your Orders may not be executed at declared prices.

Slippage may appear in all types of accounts we offer. It is noted that Slippage can occur also during Stop Loss, Take Profit and other types of Orders. We do not guarantee the execution of your Pending Orders at the price specified. However, we confirm that your Order will be executed at the next best available price from the price you have specified under your Pending Order.

##### **(b) Re-quotes**

In some cases, the Company may be providing a secondary quote to the Client after an Order has been submitted; the Client must agree to this re-quote before the Order is executed. The Company shall provide re-quotes if the requested price of the Client is not available at the specific time of execution. The secondary price provided to the Client is the next available price received by the Company from its price feeders.

Moreover, not all types of accounts offered by the Company offer re-quotes.

#### **5. Types of Order(s) available in CFDs trading**

##### **(a) Market Order(s)**



A market Order is an Order to buy or sell a CFD as promptly as possible at the prevailing market price. Execution of this Order results in opening a trade position. CFDs are bought at ASK price and sold at BID price. Stop Loss and Take Profit Orders can be attached to a Market Order. Market Orders are offered for all type of accounts.

#### **(b) Pending Order(s)**

The Company offers the following types of Pending Orders: Buy Limit, Buy Stop, Sell Limit or Sell Stop Orders to trading accounts for CFDs. A Pending Order is an Order that allows the user to buy or sell a CFD at a pre-defined price in the future. These Pending Orders are executed once the price reaches the requested level. However, it is noted that under certain trading conditions it may be impossible to execute these Orders at the Client's requested price. In this case, the Company has the right to execute the Order at the first available price. This may occur, for example, at times of rapid price fluctuations of 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, or there is lack of liquidity, or this may occur at the opening of trading sessions.

It is noted that Stop Loss and Take Profit may be attached to a Pending Order. Also, pending Orders are good till cancel.

#### **(c) Take Profit**

Take Profit Order is intended for gaining the profit when the financial instrument (i.e. CFDs) price has reached a certain level. Execution of this Order results in complete closing of the whole position. It is always connected to an open position or a pending Order. The Order can be requested only together with a market or a pending Order and it is also executed at stated prices. This type of Order is set above the opening price in case of long positions and below the opening price in case of short positions. The Company's trading platform closes a long position at Bid Price, and a short position at Ask Price.

#### **(d) Stop Loss**

Stop Loss Order is used for minimising of losses if the CFD's price has started to move in an unprofitable direction. If the CFD's price reaches the stop loss level, the whole position will be closed automatically, thus eliminating the incurrance of additional losses. Such Orders are always connected to an open position or a pending Order. They can be requested only together with a market or a pending Order.

Note that once the stop loss Order has been triggered, it turns into a market order, which is filled at the best possible price. This price may be lower or higher than the price specified by the stop loss Order. This type of Order is set below the opening price in case of long positions and above the opening price in case of short positions. The Company's trading platform closes a long position at Bid Price, and a short position at Ask Price.

## **6. Different Types of Accounts in CFDs**



6.1. The Company offers different types of accounts. For example: Mini, Standard, Premium, VIP, etc. In this respect, the spreads, costs, size, Order limits and execution venues may differ according to each account type.

Hence you should also refer to the particular characteristics of each account for more details, on the Company's website.

## **7. Best Execution Criteria**

7.1. When executing client orders, the Company takes into account the following criteria for determining the relative importance of the Best Execution Factors referred in paragraph 3 above:

- The characteristics of the client including the categorization of the client as retail or professional;
- The characteristics of the Client Order;
- The characteristics of the Financial Instruments (i.e. CFDs) that are the subject of that Order;
- The characteristics of the execution venue(s) to which that Order can be directed;

The Company determines the relative importance it assigns, in accordance with the abovementioned criteria, to the Best Execution Factors by using its commercial judgment and experience in light of the information available on the market and taking into account the remarks included in paragraph 3. For CFDs, the ranking of execution factors is as follows:

- Price
- Costs
- Size of Order
- Speed of Execution
- Likelihood of Execution
- Likelihood of Settlement
- Etc.

Where the Company executes 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 instrument (i.e. CFDs) and the costs related to execution, which shall include all expenses incurred by the Client 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.

For the purposes of delivering best execution where there is more than one competing Execution Venues to execute an Order for a CFD, in order to assess and compare the results for the client that would be achieved by executing the Order on each of the execution venues (see Paragraph 9 below) that is capable of executing that Order, the Company's own commissions and costs for executing the order on each of the eligible execution venues shall be taken into account in that assessment. The Company shall not structure or charge their commissions in such a way as to discriminate unfairly between execution venues.



## 8. Client's Specific Instructions

8.1. Whenever there is a specific instruction from or on behalf of the Client relating to the Order or the specific aspect of the Order the Company shall arrange – to the extent possible – for the execution of the Client Order strictly in accordance with the specific instruction.

**WARNING:** It is noted that any specific instructions from a Client may prevent the Company from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the execution of those Orders in respect of the elements covered by those instructions. However, it shall be considered that the Company satisfies its obligation to take all reasonable steps to obtain the best possible result for the Client.

8.2. Trading rules for specific markets or market conditions may prevent the Company from following certain of the Client's instructions.

## 9. Execution of Client Orders

9.1. The Company shall satisfy the following conditions when carrying out Client Orders:

- ensures that Orders executed on behalf of Clients are promptly and accurately recorded and allocated;
- carries out otherwise comparable Client Orders sequentially and promptly unless the characteristics of the Order or prevailing market conditions make this impracticable, or the interest of the client require otherwise;
- informs a Retail Client about any material difficulty relevant to the proper carrying out of Orders promptly upon becoming aware of the difficulty.

## 10. Execution Venues

10.1. Execution Venues are the entities with which the Orders in Financial Instruments (i.e. "CFDs") are executed. The Company does not execute Client Orders in CFDs on an own account basis, as principal to principal against the Client. The Company uses other third party Financial Institution(s) as Execution Venues. The Execution Venues currently used by the Company are available on the website. The list may be changed at the Company's discretion by giving at least one business day prior notice to the Clients on the Website.

The Company evaluates and selects the Execution based on a number of criteria including but not limited to the regulatory status of the institution, the ability to deal with large volume of Orders, the speed of execution, the competitiveness of commission rates and spreads.

10.2. The Client acknowledges that the transactions entered in Financial Instruments (i.e. "CFDs") with the Company are not undertaken on a recognised exchange/regulated market, rather they are



undertaken Over the Counter (“OTC”) and as such they may expose the Client to greater risks than regulated exchange transactions.

## **11. Client’s Consent**

11.1. By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on him (i.e. this Policy forms part of the Client Agreement).

## **12. Amendment of the Policy and Additional Information**

12.1. The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the Client Agreement between the Client and the Company.

12.2. Should you require any further information and/or have any questions about this Policy please direct your request and/or questions to our email.