FXTRADE ORDER EXECUTION POLICY

Introduction

We, OANDA, aim to act in a manner which is in the best interest of our clients. We conduct our business with all customers honestly, fairly, and professionally. When we enter into forex transactions or Contracts for Difference (CFD) orders (i.e. trades) with the customer, we have a duty to provide them with best execution; we will take all reasonable steps to obtain the best possible result for our clients based on the execution factors identified below. This policy sets out our standards and explains how we ensure business is conducted in line with the Markets in Financial Instruments Directive (‘MiFID’) and the corresponding Financial Conduct Authority (‘FCA’) rules under the Conduct of Business section 11.2 of the FCA Handbook as well as other applicable Regulatory requirements. This disclosure statement forms part of our terms of business. Therefore, by agreeing to the terms of our fxTrade Customer Agreement, the customer is also agreeing to the terms of our Order Execution Policy, as summarized in this document.

Scope and Application

The Policy is applicable to all our retail and professional clients. OANDA applies this Policy upon acceptance of trades and orders to obtain the best possible result for its clients. We will act as principal and not as agent on the client’s behalf when executing trades. We cannot guarantee, when executing a transaction, that our price will always be better than one which might have been available elsewhere.

Pricing and Execution Principles

Execution of client orders on fxTrade is guided by the following general principles:

• Pricing that is a fair reflection of the market and transparent to clients. Inaccurate pricing costs OANDA money because it opens the possibility of arbitrage.

• All prices shown include a bid price and an ask price, allowing the client to issue a long trade or a short trade on the price pair.

• No trades are rejected, provided the client has sufficient margin, and there are no price requotes.

• Client orders are executed on the price that is valid at the fxTrade server at time of execution (this is stated in the OANDA Customer Agreement). To protect themselves from unexpected price movements, clients may optionally specify bounds with market and entry orders so that the order will only execute if the price lies within the specified bounds.

With OANDA’s no-requoting policy, prices are not modified after execution of a trade, except for “Invalid Transactions” as defined in OANDA’s fxTrade Customer Agreement. In those situations, all affected customer accounts are restored to their original positions and clients are informed and provided with sufficient detail to enable them to reconstruct exactly what took place. All of the details are recorded in the system so that they can be reviewed at any time.

Execution Criteria and Factors

When executing orders on behalf of clients, OANDA will take all reasonable steps to obtain the best possible result for the customer by taking into account a number of factors which we believe are relevant. For retail clients, price takes precedence over all other factors.
• **Price**

We obtain prices from external third parties for the underlying instruments and calculate the OANDA fxTrade price based on the best pricing available to us from our liquidity partners. Our bid and offer prices may differ from that of the liquidity partners as a result of our spread, liquidity in external markets, financing charges, variation between the underlying and our tradable product or other relevant factors. The price quoted may differ from the execution price due to various factors which may include movements in the underlying markets between the time a customer placed their trade and the time it is received and executed by us. When trades are placed with us, they will be executed at the current price on our server.

• **Costs**

We offer a pure spread pricing model. If any commissions or fees are assessed, they will be clearly disclosed to the clients via disclosures and on customer statements.

• **Speed**

Due to the speed of internet connectivity, market volatility, mobile Apps, and other platforms such as MT4, the time a client places a trade and the time it is received by us may be impacted.

• **Likelihood of Execution**

All trades, orders and margin closeouts are executed in fxTrade on an automated basis, with no manual intervention. The platform may reject trades for execution according to the fxTrade Customer Agreement in such instance where a client has insufficient margin available.

• **Settlement**

When a customer closes a trade, the transaction effectively settles immediately on fxTrade using the same bid/ask price available on the server regardless of whether they are opening or closing a trade, and the resulting realized profit and loss is converted to the customer’s account currency, again using fxTrade’s prices. All trades can be settled at the customer’s discretion during market hours.

• **Size and Nature**

We do not take into consideration the size of the customer’s order for acceptance, scheduling or prioritization of execution. However, no transaction will be accepted which exceeds the maximum trade size; if the requested transaction is larger than the limit that OANDA has established for the underlying market, the trade will be rejected.

**Trade Integrity**

**Slippage**

Customer orders are executed at the prevailing exchange rate at the time the order is received at the fxTrade server. fxTrade does not re-quote prices, nor does it have asymmetrical slippage parameters. It is designed to ensure that any slippage is based on real market conditions and it is just as likely that any price movement will be in customers’ favour as it is that it will be unfavourable to customers. fxTrade allows customers to set bounds with market or entry orders. If the price falls outside of such bounds when the order is received at the fxTrade server, fxTrade will not execute the order.
Spreads and Exposure Limits

fxTrade is designed to provide bids and offers that are reasonably related to current market prices and conditions and reflecting underlying market liquidity.

Execution Venue

OANDA is the market maker and the sole execution venue for all customer trades - clients transact directly with us, as no other venue is available to transfer the contracts executed through us.

Specific Instructions

Where customers give us specific instructions, including specifying the opening or closing price of a forex or CFD transaction (for example, “entry orders”), OANDA will execute that order in accordance to this instruction provided the requested price is available. This will be deemed to be best execution, superseding all other aspects of this policy.

Aggregation

We do not aggregate one customer’s trade(s) with that of any other clients during execution.

No Fiduciary Duty

Our commitment to provide the customer best execution does not mean that we owe clients fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.

Monitoring and Review

We regularly monitor compliance and effectiveness of the Policy for relevant order execution arrangements to assess whether it enables us to continuously provide the best possible result for our clients. If necessary, we will amend our Policy and our order execution arrangements. We will notify customers in advance of any material change.