

## **ANNUAL EXECUTION SUMMARY 2019**

### **Introduction**

INFINOX Capital Ltd (“Infinox”) offers Contracts for Difference (CFDs), including leveraged foreign exchange, on an “over the counter” (OTC) basis. The transactions that you enter into with Infinox are bilateral in nature. Infinox is always the counterparty to your trades and acts as principal. As a result, Infinox is the sole execution venue for your trades.

In order to provide prices and execute orders on a continuous basis, Infinox receives price feeds from multiple liquidity providers. Having multiple liquidity providers is important especially during abnormal market conditions, such as at times of extreme volatility as it allows Infinox to continue to provide you with prices. Infinox has identified liquidity providers which it believes offer the best prospects for achieving the best possible results for you, taking into account the execution factors detailed below. Infinox reviews the performance of its liquidity providers on an ongoing basis and we will cease to utilise a liquidity provider if we consider that best execution is not being achieved for our clients.

When selecting a liquidity provider and monitoring its performance, Infinox takes reasonable measures to ensure that the selection obtains the best possible trading result for clients. Relevant considerations are set out below:

- the nature of transactions that they undertake;
- whether they are established firms;
- whether they are authorised by a recognised regulatory body;
- whether systems and controls are in place to manage, identify and mitigate any potential risks;
- their reputation in the market;
- their financial standing and credit rating;
- the quality of their compliance and risk management policies and processes;
- proven track record in the relevant market;
- are compliant and have not had any relevant regulatory filings against them;
- the steps taken to ensure prices offered are met and under what circumstances (if any) there has been failure;
- the proportion of trades that are executed at the bid/offer quoted and how they measure this;
- how it assesses whether it provides sufficient liquidity for each instrument; and
- completion of our due diligence process.

### **Execution Factors**

In meeting its best execution obligations, Infinox considers the execution factors of price, likelihood of execution, costs and speed when assessing the quality of execution. Dependent on the client’s trading style, the products the client trades and the method of their trading, we may consider using specific liquidity providers which are most suited to the client’s profile.

#### ***Price***

Infinox’s price for a given CFD is derived through reference to the price of the relevant underlying financial instrument, which the firm obtains from its third-party liquidity providers, so that at any point in time the prices are accurate and competitive.

Infinox applies real-time monitoring mechanisms to assess the quality of prices, data feeds and connections to liquidity providers. These controls are built to deliver alerts, statistics and signals in relation to latency, trading status and anomalous prices.

In addition, Infinox undertakes ongoing daily reviews of execution quality in terms of price. This monitoring activity is designed to identify potential variations in the price requested by clients and the execution price as well as the underlying symmetry.

These measures of execution quality are reviewed by Infinox's compliance committee on a monthly basis as well as by the compliance and risk committee on a quarterly basis.

### ***Likelihood of Execution***

Infinox relies on third party liquidity providers for prices and available volume. Infinox applies this information to provide prices to its clients. When a client places an order, the order is executed by Infinox via the electronic trading platform without manual intervention.

Infinox undertakes ongoing daily reviews of execution quality in terms of likelihood of execution. We monitor the proportion of client orders which are executed and rejected on an ongoing daily basis and this information is reviewed by Infinox's compliance committee on a monthly basis as well as by the compliance and risk committee on a quarterly basis.

### ***Cost***

Infinox's price for a given CFD is derived through reference to the price of the relevant underlying financial instrument, which the firm obtains from its third-party liquidity providers. Infinox adds its spread and, where relevant, its commissions and other charges, to the price to generate the price which is available to its clients to trade. Infinox is clear and transparent about its trading costs - further details are available on our website, in our Key Information Documents and on the trading platform.

### ***Speed***

Infinox executes all client orders with the highest possible urgency via the electronic trading platform with no manual intervention. The speed of our execution is determined by the prices and volumes provided by our third-party liquidity providers. We monitor the speed of execution on an ongoing daily basis and this information is reviewed by Infinox's compliance committee on a monthly basis as well as by the compliance and risk committee on a quarterly basis.

## **CLOSE LINKS, CONFLICT OF INTERESTS AND COMMON OWNERSHIP WITH RESPECT TO ANY EXECUTION VENUE USED TO EXECUTE ORDERS?**

When you trade CFDs, including leveraged FX, with Infinox, we are the sole execution venue. In order to provide prices and execute orders on a continuous basis, Infinox receives price feeds from multiple liquidity providers. Infinox does not charge different fees or costs depending on the liquidity provider used. The aggregate value of all fees, costs and any commission payments are incorporated into the prices we offer on the trading platform.

## **ANY SPECIFIC ARRANGEMENTS WITH ANY EXECUTION VENUES REGARDING PAYMENTS MADE OR RECEIVED; DISCOUNTS, REBATES OR NON-MONETARY BENEFITS RECEIVED**

When you trade CFDs, including leveraged FX, with Infinox, we are the sole execution venue. Infinox has no specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

## **FACTORS THAT LED TO A CHANGE IN THE EXECUTION VENUES IN THE FIRM'S EXECUTION POLICY**

When you trade CFDs, including leveraged FX, with Infinox, we are the sole execution venue. In order to provide prices and execute orders on a continuous basis, Infinox receives price feeds from multiple liquidity providers. During 2018, there were no changes in liquidity providers based on best execution not being achieved for our clients.

**HOW ORDER EXECUTION DIFFERS ACCORDING TO CLIENT CATEGORISATION, WHERE THE FIRM TREATS CATEGORIES OF CLIENTS DIFFERENTLY AND WHERE IT MAY AFFECT THE ORDER EXECUTION ARRANGEMENTS**

Infinox provides best execution to retail and professional clients. We do not treat comparable retail or professional client orders differently. However, we are obliged to consider the differing nature of our clients when designing systems and executing orders, and to disclose this information separately.

The variation in data between retail and professional clients is usually a result of the differing type of trading that each category of client pursues, rather than an indication that a comparable retail or professional order would be treated differently.

**WHETHER ANY OTHER CRITERIA WAS GIVEN PRECEDENCE OVER PRICE AND COST WHEN EXECUTING RETAIL CLIENT ORDERS AND HOW THESE OTHER CRITERIA WERE INSTRUMENTAL IN DELIVERING THE BEST POSSIBLE RESULT IN TERMS OF THE TOTAL CONSIDERATION TO THE CLIENT**

No other criteria were given precedence over price and cost when executing retail client orders.

**HOW INFINOX HAS USED ANY DATA OR TOOLS RELATING TO THE QUALITY OF EXECUTION**

On an ongoing basis, Infinox monitors the key pieces of information relating to the quality of pricing, costs, likelihood and speed of execution. This enables us to form a real time view of the quality of our best execution and the performance of our liquidity providers upon whom we rely for continuous pricing and execution.

The data is reviewed on a daily basis by our Trading function and anomalies or queries are dealt with immediately. The execution quality data is reviewed on monthly basis by the compliance committee and on a quarterly basis by the compliance and risk committee, which reports to the Board of Directors.

**AN EXPLANATION OF HOW INFINOX HAS USED OUTPUT OF A CONSOLIDATED TAPE PROVIDER (CTP)**

CTPs offer a service which combines price and volume data from multiple execution and trading venues into a continuous electronic data stream for individual financial instruments. They can, therefore, provide useful data against which to measure best execution, particularly in terms of price. This type of service is very new and still being established in Europe. CTP providers need to receive appropriate authorisation. As a result, Infinox is not yet able to use a consolidated tape for benchmarking prices in European products. However, we will continue to monitor the development of this service in Europe.