



DUKASCOPY

Member of Swiss Banking Group

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Dukascopy Europe IBS AS Client Order Execution Policy

1. PURPOSE

The purpose of this policy is to outline the fundamental principles and elements for delivering high-quality service to our clients, ensuring optimal outcomes in transactions involving financial instruments. Additionally, this policy aims to inform clients about the order execution arrangements provided by Dukascopy Europe IBS AS.

2. TERMS AND ABBREVIATIONS

2.1. **Company** – Dukascopy Europe IBS AS, registration number 40003344762, legal address: Rīga, Lāčplēša iela 20A - 1, LV-1011, Latvia.

2.2. **Policy** – this Client Order Execution Policy of the Company.

2.3. **Financial instruments (FI)** - exchange-traded or OTC-traded assets and their derivatives, on which the Client may submit Orders or conclude transactions with the Company.

2.4. **Over-the-counter (OTC)** – trading outside regulated markets.

2.5. **Client** - a person offered investment services and/or ancillary investment services by the Company under the concluded Agreement.

2.6. **Agreement** - a contract between the Company and the Client regarding investment services or ancillary investment services.

2.7. **Order** – a trading instruction submitted by the Client to the Company, where the Company acts as the Client's agent and on the Client's behalf during execution.

2.8. **Trading platform** – the SWFX trading platform, which provides a technical solution for trading.

3. GENERAL PROVISIONS

3.1. In developing this Policy, the Company ensures that Client Orders related to FIs are adopted and executed according to the following principles:

3.1.1. Achieving the best possible result for Client transactions with FIs, based on the proportionality of the Client's benefits and expenses in accordance with legal requirements;

3.1.2. Regularly updating the Policy;

3.1.3. Providing public access to the Policy on the Company's homepage and in the Company's office;

3.1.4. Monitoring the order execution venues and the performance of the Company's counterparties.

3.2. The Company is prohibited from executing transactions with FIs belonging to or held by the Client if it has not received the Client's consent to this Policy when concluding a contract. Prior to concluding a contract, the Company shall notify the Client of the adopted Policy including all its amendments. The Company shall provide the following information on its Policy to private Clients:

3.2.1. an overview of the execution venues, mentioning factors which the Company considers necessary to provide the best possible result for the Client;

3.2.2. a list of execution venues for Orders, where the Company plans to consistently provide the best possible Order execution;

3.2.3. a clear and prominent warning that any specific instructions from a Client may prevent the Company from taking measures in accordance with this Policy, which ensure obtaining the best possible result for the execution of those Orders with regards to the elements covered by those instructions.

3.3. Although the Policy aims to provide the Client with the best possible result in FI transactions, the Company does not exclude the possibility that events listed in this Policy may not achieve the best possible result from the Client's perspective.

3.4. The Company has the right not to use the best possible result principle in the following situations:

3.4.1. the Client is assigned eligible counterparty status;

3.4.2. the Company conducts transactions on the trading platform;

3.4.3. situations envisaged in section 4.9. hereof;

3.4.4. in cases specified in the Latvian Financial Instruments Market Law.

3.5. The Company may use a single trade venue for certain FIs.

3.6. The Company complies with the requirements of the Policy when accepting and executing Client Orders within the scope of investment services and ancillary (non-core) investment services specified in the Agreement between the Company and the Client.

4. CLIENT ORDERS AND THEIR TYPES

4.1. The Company executes the Client's Orders in a timely, efficient and fair manner.

4.2. The Company shall accept only Orders emanating from the Client or his authorized representative. When executing an Order, the Company shall proceed in accordance with the Client's instructions.

4.3. The Company executes an Order prepared by the Company in accordance with a Client's instruction, conducting individual management of FIs belonging to the Client, provided that the Client has agreed to this Order execution Policy.

4.4. Orders submitted by the Company to its counterparty or selected contractor in accordance with the Client's instruction, the terms of the concluded Agreement (e.g., closing the Client's position), or in the case of financial collateral usage, shall be deemed Orders submitted in person and be subject to this Policy.

4.5. The Client can submit the following Orders to the Company:

4.5.1. Conditional Order – an Order to buy or sell a certain amount of FI with specific instructions;

4.5.2. Market Order – an Order to buy or sell a certain amount of FI at the current price;

4.5.3. Other Orders - if required by a certain service or Agreement.

4.6. The Company is entitled to limit the types of Orders available to the Client (e.g., market price Orders, restrictive Orders).

4.7. The Company is entitled to limit and apply a shorter Order validity than applied at the Order execution venue.

4.8. The Company takes all necessary and reasonable actions to achieve the best result for the Client in accordance with the terms of this Policy. When the Company receives an Order, it executes it with diligence, in accordance with market practice, knowledge, and experience to obtain the best result for the Client.

4.9. The Client is entitled to include specific instructions in the Order; however, the Company warns that specific instructions may hinder or make it impossible for the Company to execute the Order in accordance with the Policy, providing the Client with the best order execution results concerning elements included in these instructions.

4.10. The Company follows the specific instructions included in the Order to the widest extent possible, even when the instructions submitted preclude the best possible outcome for the Client.

5. ORDER SUBMISSION

5.1. The Client may submit the Order in person on the trading platform, by phone, or by e-mail to the address posted on the Company's homepage. The Company may limit or impose different Order submission forms in the Agreement not mentioned in this Policy.

5.2. Every time the Client submits Orders to the Company, the Company is entitled to record any conversation with the Client or record the communication in any form and has the right to use these records as proof of the submitted Order.

5.3. Reception and processing of an Order depend on the type of submission. The Order execution sequence depends not only on the time but also on the form of submitting the Order. When giving the Order, the Client must ensure that the Company has received it. Otherwise, such Order will not be deemed submitted.

5.4. When the Company executes the Order, it takes into account one or more criteria:

5.4.1. The price of FI specified in the Order;

5.4.2. Execution costs;

5.4.3. Possibility of execution;

5.4.4. Security and probability of settlements;

5.4.5. Speed of execution;

5.4.6. Amount of FI specified in the Order;

5.4.7. Type of the Order;

5.4.8. Any other factors that affect the efficient execution of Clients' Orders, as well as the consistency and continuity of the Order execution process.

5.5. To determine the importance of other factors in the execution of Orders, the Company additionally considers the following criteria:

5.5.1. The Client's characteristics, including the Client's status;

5.5.2. Type and amount of the Order;

5.5.3. Characteristics of FI which are the subject of the Order;

5.5.4. Characteristics of the Order execution venue.

6. CLIENT ORDER EXECUTION

6.1. The Private client is notified about any major difficulties likely to affect the correct execution of a particular Order in a timely manner.

6.2. After the Order execution (after concluding the relevant transaction and making the payment), FIs and cash funds earned through a particular transaction are immediately credited by the Company to the Client's FI account held with the Company.

6.3. The Company may execute an Order outside the relevant regulated market and Trading platform, notifying the Client in advance.

6.4. If the Company does not have direct access to the relevant regulated market of the Order, then the Company is entitled to transfer the execution to a contractor or counterparty. The Order's routing means that the transaction is executed by the respective third party.

6.5. The Client is notified that the Order is executed by a contractor or counterparty of the Company. If the contractor or counterparty of the Company executes the Order, then the transaction is legally effective only after the Company receives confirmation of execution from the contractor or counterparty.

6.6. The Company selects the contractor or the Counterparty that is capable of executing the Order while guaranteeing the Company's responsibility to obtain the best possible result for the Client. The Company selects contractors or counterparties capable of providing at least the same results as other reasonably selected contractors or counterparties could.

6.7. When transmitting Orders to the Company's contractors, the Company cannot maintain direct control over the Order execution process and adherence to the Order execution principles stipulated in this Policy. Therefore, the Company cannot guarantee always providing the best possible result and price in relation to each Order executed through a counterparty.

6.8. The Company's full list of counterparties and contractors is publicly available on the Company's website and at the Company's office.

6.9. If the Client wants to conclude a transaction or submit an Order of basic FIs, the Company shall not evaluate the appropriateness of this transaction or Order for the Client. The Company must notify the Client and obtain his approval to this Policy before the conclusion of the contract. Potential Clients are informed about the submission of such Orders by placing this Policy on the Company's website.

6.10. Following instruments are considered to be basic FIs:

6.10.1. stocks (shares) admitted to trading on a local regulated market or foreign market;

6.10.2. money market instruments;

6.10.3. bonds or other debt securities (excluding bonds and money market instruments that include derivative FIs);

6.10.4. investment fund share certificates;

6.10.5. other basic FIs, provided that:

6.10.5.1. they are not derivative FIs;

6.10.5.2. they are frequently issued, repurchased, or sold at publicly available prices that are market prices or prices determined by the issuer;

6.10.5.3. they do not include any existing or possible financial obligations that exceed the asking price of the FI;

6.10.5.4. information about the characteristics of the FI is publicly available, easy to understand and allows the average private client to make an informed decision about this FI.

7. AGGREGATION AND ALLOCATION OF ORDERS

7.1. The Company does not aggregate Orders but forwards them to its counterparties or contractors, except when the Company fully manages the Client's individual FIs pursuant to the Client's mandate.

7.2. The Company can aggregate Clients' orders if, in the Company's opinion, the order aggregation is not likely to harm the Clients' interests. The aggregation mentioned herein shall comply with the following requirements:

7.2.1. The Company may aggregate one Client's Order with another Client's Order. Prior to aggregation, the Company must inform each Client involved in the aggregation about the risk of losses related to the Order. The Company shall receive notification from the Clients giving their consent to the aggregation. If the confirmation of order aggregation is not received, the Company shall not execute the aggregation of Orders.

7.2.2. In case the Company has aggregated Client Orders, it shall proportionally reallocate the Clients' FI and/or funds to each Client as soon as the transaction is executed and the FIs or Client funds are received.

7.2.3. If the aggregated Order is executed only partially, the Company reallocates the funds and/or FIs acquired as a result of executing the order proportionally or in a way that would reduce each Client's losses as much as possible.

8. INFORMATION ON PENDING CLIENT ORDERS

8.1. It is forbidden to misuse the information on pending Client Orders that the Company has at its disposal.

8.2. If the Client has submitted a conditional Order for FIs and the order is not executed immediately at existing market conditions, the Company undertakes all necessary steps to execute the Order as soon as possible, disclosing the Order information on the market if necessary, unless the Client has expressly indicated a different course of action.

9. EXECUTION VENUES

9.1. In executing the Client's Order to achieve the best possible result, the Company can use one or more venues of Client Order execution:

- 9.1.1. regulated markets;
- 9.1.2. Trading platform;
- 9.1.3. market makers;
- 9.1.4. the Company's counterparties and contractors.

9.2. When considering the Order execution venue for a certain FI category, the Company takes into consideration the following criteria:

- 9.2.1. security of settlement;
- 9.2.2. facility of settlement;
- 9.2.3. prices;
- 9.2.4. information access;
- 9.2.5. the fastest possible access to the execution venue;
- 9.2.6. costs;
- 9.2.7. liquidity.

9.3. When determining the execution venue, none of the provisions in paragraph 9.2 prevails. The Company evaluates all the factors in section 9.2. The Company takes into account that the chosen execution venue may not always offer the lowest price possible, yet in any case, the Client Order execution policy related to order execution must be followed.

9.4. If the FI mentioned in the Order is included in the trading list in several Order execution venues, the Company at its discretion chooses the venue with the highest liquidity.

9.5. If the Company has only one order execution venue available at which the Client's Order could be executed, it is deemed that the best result can be achieved by completing the order in that venue, even if the prices available at the venue differ from the market prices not available to the Company.

9.6. The Company is entitled to execute Client Orders outside a regulated market.

10. LIST OF EXECUTION VENUES AND PARTNERS BY INSTRUMENT TYPES

10.1. The full list of execution venues and partners is determined in Annex 1, which is an integral part of this Policy.

10.2. The Company accepts Client Orders for the following FI categories:

- 10.2.1. money market instruments;
- 10.2.2. derivatives – financial contracts for difference;
- 10.2.3. stocks;
- 10.2.4. bonds;

10.2.5. promissory notes;

10.2.6. investment units or investment fund certificates;

10.2.7. other FIs that might be classified as exchange-traded or OTC derivatives;

10.3. The main factors that the Company considers when choosing counterparties to cooperate in the aforementioned markets include:

- direct-access platforms
- counterparty's reliability
- fees
- order execution speed concerning input and output of assets
- speed of application's availability on the market
- effective support by phone
- technical support work
- ownership structure and location
- reputation in the market

11. SUPERVISION

11.1. The Company verifies whether this Policy corresponds to the real situation and whether Orders are being executed in accordance with this Policy.

11.2. The Company informs the Client about changes in this Policy in accordance with the procedure stipulated in written agreements with the Client.

11.3. The Company shall review this Policy annually or in the event of significant changes that can affect achieving the best possible result for the Client by using the Order execution venues mentioned in the Policy and Annex 1.

12 ADDRESSEES

This Policy shall be binding on all of the Company's entities and their employees.

Dukascopy Europe IBS AS Client Order Execution Policy
Annex 1

LIST OF EXECUTION VENUES AND PARTNERS BY INSTRUMENT TYPES

1.1. When executing Client Orders in derivatives - financial contracts for differences, money market instruments, and Over-The-Counter (OTC) (agreement between two parties on FI traded outside the regulated market) the Company's contractor and counterparty shall be **Dukascopy Bank SA** (Switzerland).

1.2. When executing Client Orders in stocks, bonds, promissory notes, investment units or investment fund certificates and other FI that might be classified as derivatives - AS Rietumu Banka and its counterparties are the Company's counterparties. The Company does not accept orders other than closing orders for the aforementioned instruments.