

Execution Quality Summary Statement
for the year 2018
on execution arrangements for CFDs

Coverdeal Holdings Ltd

CIF 231/14

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Purpose

The Execution Quality Summary Statement (hereinafter the EQSS or the Statement) is a statement that Coverdeal Holdings Ltd (hereinafter, the “Company”), an Investment Firm authorised and regulated by the Cyprus Securities and Exchange Commission with Licence Number 231/14, is required to disclose to its clients under Regulation EU 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.

The EQSS is a summary of the analysis and conclusions the Company drew from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders during the year 2018, covering a full year cycle (hereinafter, the “Year Under Review”).

The Company urges its clients and/or potential clients to read the Statement carefully as it contains information on how the Company executes orders to various execution venues when operating under the STP model in relation to the Asset Class of CFDs.

The EQSS along with the accompanied tables will remain on the Company’s website for two years at least post its publication.

1. Relative Importance of Execution Factors during the Year Under Review

The Company when executing Clients' Orders is required under the relevant regulatory framework to assign a relative importance on the following execution factors:

- (a) Price;
- (b) Cost;
- (c) Speed of Execution;
- (d) Likelihood of execution;
- (e) Likelihood of settlement;
- (f) Size of order;
- (g) Market Impact;
- (h) Nature of order.

For details on how each factor is assessed ex ante when executing clients' orders please refer to the Company's [Order Handling, Allocation and Execution Policy](#). During the Year Under Review the Company offered services only to the following category of clients:

Retail Clients

For these clients, the Company by virtue of the applicable regulatory framework is required to provide best execution in accordance with total consideration whereby total consideration represents the price of the Financial Instrument and the costs related to execution, which include all expenses incurred by the client which 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, as applicable.

2. Execution Venues during the year under review

The Company's execution venue(s) during the year under review were:

No.	Name of Execution Venue	Country of Establishment	Commencement date of the relationship with the Company	End date of the Business relationship with the Company
1	Safecap Investments Ltd	Cyprus	July/2017	Dec 30,2019
2	Magnasale Trading Limited	Cyprus	Dec 30, 2019	

The Company does not have close links or common ownership structures with the aforementioned execution venue.

3. Change of Execution Venues during the year under review

The Company notes that during the year under review did not change the list of execution venues as these are listed in its [Order Handling, Allocation and Execution Policy](#).

4. Conflicts of Interest

As mentioned in section 2 above, the Company does not maintain close links and/or common ownership structures with Safecap Investments Ltd or Magnasale Trading Limited.

The main conflict of interests which may arise in the conduct of the Company's business are:

- Non-Segregation of supervisor and control function and cross- contamination of tasks.
- The Company may have an interest in maximizing trading volumes in order to increase its revenue, which is inconsistent with the Client's personal objective.
- The Company may receive or pay inducements to or from third parties due to the referral of new Clients or Clients' trading in the form of monies, goods or services, other than the standard commission or fee for that service
- The Company or a Related person has an interest in the outcome of a service provided to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome
- One of the employees of the Company may engage in personal account dealing in respect of financial instruments and the Company has a client with an interest that potentially conflicts with such dealing;
- Two customers may give similar orders and one customer may agree/offer to pay more commission, the priority or better execution terms may be granted to that customer's order when it conflicts with obligations owed to the other customer
- The company may receive the monetary or other incentives in exchange for promotion of specific products or flow of business.

The Company lists (non-exhaustive) the possible conflicts of interest it is facing (inclusive of conflicts of interest in relation to the execution venues it uses) as well as the relative mitigation measures in its [Conflicts of Interest Policy](#).

The Company has in place the procedure to prevent and manage the Conflict of Interest. The Company have systems in place to ensure that any judgements or decisions are taken with the clients' best interests in mind and are not biased by conflicts of interest.

5. Payments or non-monetary benefits (made or received) to/by Execution Venues

During the year under review the Company's arrangements with Safecap Investments Ltd and Magnasale Trading Limited stipulated that the Company neither paid nor received any monies or non-monetary benefits from Safecap Investments Ltd or Magnasale Trading Limited. The Company generates its revenues from Commissions/spreads paid by its Clients upon initiating a trading order.

6. Tools and Data used during the year under Review.

The Company during the year under review deployed a number of methodologies and tools in order to monitor, and where applicable adjust, its execution parameters in order to ensure consistency with its overarching obligation to offer the best possible result for its clients' orders. In broad terms the Company monitors on an ongoing basis its execution arrangements by selecting appropriate samples of orders executed and evaluates the samples in accordance with the following dimensions:

- (a) Evaluating the Company's execution venue in accordance to the following:
- Pricing Frequency (price updates in real time);
 - Speed of execution;
 - Frequency and duration of price freezing ;
 - Depth of liquidity;
 - Pricing transparency ;
 - Slippage frequency etc.
- (b) Price Fairness by comparing independent prices relayed by independent market data providers with the prices quoted by its execution venues, as well as comparing prices between execution venues not listed in the company's execution venues list. For this purpose the Company gathers market data used in the estimation of the price of such product and, where possible, compare it with similar or comparable products. The Company uses quarterly reports published by other Execution Venues that trade similar or identical financial instruments with those offered by the Company.
- (c) Monitoring the execution venue to ensure that it is consistently able to deliver best execution for the Company's clients. Monitoring processes include:
- Independent monitoring by the Company of the trade execution quality achieved by the execution venue in relation to clients' orders.
 - The provision by the execution venue of in-house and third party monitoring data to the Company, for the purpose of the Company's independent review.
 - The Company's direct periodic review of the quality of the execution measured against that of other comparable execution venues.
- (d) Technological prowess of Company systems (responsiveness of interface, lag, integration with the IT systems of the execution venues etc.).

7. Reviews of Execution Monitoring - Control Functions

The Company's brokerage department produces reports with the evaluation process described above (please refer to Section 6) and if actions are required liaise with the Company's senior management for next steps.

The Company's control functions (Compliance and Internal Audit) scrutinise the monitoring procedure conducted by the brokerage department and the actions taken by the Company's senior management. The Company's control functions present their findings to the Company's Board of Directors at least annually, for further scrutiny and actions.