



INFORMATION ON THE QUALITY OF EXECUTION

This Document on Information on the quality of Execution was last updated on February 2023 and shall remain effective until a more recent version is released. Finalto Financial Services Ltd reserves the right to amend or supplement this Document at any time. This Document does not replace our Client Agreement (Terms and Conditions of Trading) which we ask that you read carefully before you enter into any trading. The prevailing version of this Document is always available on our website www.markets.com/uk/

Risk Warning: Contracts for Difference are complex instruments and come with a high risk of losing money rapidly due to leverage. 65.3% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money. Please read the full [Risk Disclosure](#) Notice which gives you a more detailed explanation of the risks involved.

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1. ABOUT Finalto Financial Services Ltd, THE BRAND AND OUR DOMAIN

We are Finalto Financial Services Ltd ("**Finalto FS**", "**Company**", "**we**" or "**us**"). We are the legal entity offering the investment services to you. We are at all times the legal entity responsible to you under the Investment Services Agreement which sets out the Terms and Conditions of your trading with us.

Finalto FS is regulated investment services firm, authorized in the conduct of its activities by the Financial Conduct Authority ("FCA") under firm reference number 481853. Finalto FS is incorporated in England and Wales under company number 06557752 and whose registered address is at 11th Floor Broadgate Tower, 20 Primrose Street, London, England, EC2A 2EW.

We offer our services and undertake our activities from our Cyprus Offices and our regulated branches in Sofia – Bulgaria and Gibraltar. Certain other ancillary services may be undertaken by affiliate companies. We are at all times responsible for the work that such affiliate companies undertake on our behalf with respect to the services we offer to you.

MARKETS.COM is a global brand and trade mark owned by Finalto FS's immediate holding company which is Finalto (IOM) Limited ("Finalto").

2. SCOPE

This Document related to the Information on the Quality of Execution (the "**Document**") provides an overview of how we execute orders on behalf of clients and the factors that can influence the order execution behavior.

This information will provide a clear picture of the execution strategies and tools used to assess the quality of execution obtained and will also allow investors to assess the effectiveness of the monitoring carried out by the Company in relation to those execution arrangements.

The document shall be reviewed and accordingly updated on an annual basis and shall reflect the data of the previous year.

3. TREATING CUSTOMERS FAIRLY

Treating customers fairly is central to our corporate culture and ethos.

We have a duty to act honestly, fairly, professionally and in the best interest of our clients when dealing with them. We implemented a Code of Conduct and a set of policies and procedures that aim to ensure we perform to the highest level of professional standard at all times.

4. APPLICABLE LAW AND REGULATIONS

This Document is issued pursuant to, and in compliance with the requirements of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("**MiFID II**"), the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 which transposed MiFID II into UK law, as well as the key publications issued by the FCA.

The purpose of this Document is to ensure the Company's compliance with the Commission's Delegated Regulation (EU) 2017/576 ("**RTS 28**") with respect to the annual publication by investment firms of information on the identity of execution venues and on the quality of execution as well as Section 9 of the Questions and Answers Document of the Financial Conduct Authority ("**FCA**") issued on 11 October 2016 with reference FCA/2016/1454 with respect to the provision of CFDs and other speculative products to retail investors.

In this Document, we collectively refer to all the above legislations, regulations and guidelines as "**Regulations**".

5. PRODUCTS

Finalto FS acts as a principal on all client trades and therefore execution sits with Finalto FS. We allow Clients to execute through various venues: our proprietary platforms (desktop, web and mobile versions), the Metatrader platforms, or phone orders to our dealing desk. Each Client is responsible for all orders placed by that Client and should fully understand the mechanics and method of execution of each order before placing it. We enable you to trade CFDs and Spread bets via the following trading

platforms:

- Markets.com Web Trader
- Markets.com Mobile Trader
- MetaTrader 4 (MT4)
- MT4 Mobile
- MetaTrader 5 (MT5)
- MT5 Mobile

CFDs relate to underlying asset classes and financial instruments, which we explain herebelow:

Product Types	Examples of financial instruments in the specific product types
Foreign Exchange ("FX")	EUR / USD; GBP / USD; EUR / CHF
Commodities	Crude Oil; Gold; Silver; Cotton No 2; Wheat; Natural Gas
Indices	USA500 Futures; UK100 Futures; Germany30 Futures, USA30 Futures
Shares	Facebook; Apple; Amazon; VISA; Siemens
Bonds	10-Year US Treasury Note Futures, UK Gilt Futures, 30-Year US Treasury Bond Futures
Exchange Traded Funds ("ETF's")	ChinaAMC CSI 300 Index, SPDR Dow Jones Industrial Average, iShares MSCI South Korea
Cash Indices	USA500, UK100, Germany30, Spain35, USA30.
Blend	a CFD where the underlying assets are comprised by a certain number of Financial Instruments of different issuers, determined by the Company. Example: US Tech Blend (comprised by Apple, Microsoft, Google, Intel, IBM)
IPOs Grey Market	For IPO instruments please visit our website
Investment Strategy Builder	a client-customized CFD investment strategy where the underlying Shares are part of the S&P 500 or Russell 2000 index

The instruments available may vary in each of the above trading platform. Certain exchanges and digital exchanges may impose intraday price movement limits on trade which may result in trading suspension of trading and/or stoppage of price feeds and/or a general trading halt and/or to the inability to place or close orders. This may be a result of the imposed intraday price movement limits or due to technical issues. By trading with us, you accept the risks associated with the above, including the risk of inability to place or close your trading Orders as a result of such trading suspensions or halts.

6. BEST EXECUTION

Best Execution is the process by which Finalto FS seeks to obtain the best possible result when executing client orders.

The definition of best possible result will vary as we may take into account a range of execution factors and determine their relative importance based on the characteristics of the respective client, the order size, the orders that we receive and the underlying Financial Instruments for which we offer trading on Contracts for Difference. Prices and costs carry the highest importance when executing transactions for our clients.

These Execution Factors and the relevant importance/criteria we place on them, depending on the circumstances of the clients and the order, are as follows:

Factor	Explanation	Importance
Price	The market price at which the order is executed. Please refer to the relevant sections in this Policy for information on how we determine our prices.	High
Costs	Any additional charges that may be incurred in executing the order in a particular way over and above Finalto FS's Spread.	High

Factor	Explanation	Importance
Size	The way that Finalto FS executes an unusual order (for example, one that is larger than the normal market size) may differ from the way it executes a standard order. Finalto FS does not apply different execution arrangements between larger and smaller positions. The execution factors are the same across all orders.	Low
Speed of Execution	This can be particularly important in fast moving markets. Please refer to Section 9.6 in our Order Execution Policy for Speed of Execution and Latency for more information.	High
Likelihood of execution and settlement	We rely on third-party feed providers for prices and/or available volume of the different financial instruments we offer. Therefore, the execution of Client's orders will depend on whether there are prices and/or liquidity available at the time these orders are received.	Medium
Market impact	The effect that executing a client's order, or showing it to other market participants, might have upon the market	Medium
Other factors relevant to particular order types	May vary depending on the circumstances	As applicable

The relative importance of these factors can vary between different products. Although we endeavor to provide the best possible execution after having taken into account the above factors, we cannot absolutely guarantee to you that the price that we make available to you at the time of opening or closing a position with us will always be better than one which is or might have been offered elsewhere.

When Finalto FS executes orders on behalf of clients, Best Execution is determined on the basis of the total consideration paid to or by the client, unless the objective of execution of the order dictates otherwise. Total consideration is the price of the product (CFD or Equity) in the underlying Financial Instrument and the costs related to execution of the order, including all expenses incurred by the client which are directly related to the execution of the order such as venue execution fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. When assessing whether the best execution has been achieved, Finalto FS does not take account of its standard charges that will be paid by the client irrespective of how the order is executed.

Although we take all reasonable efforts, where we use an external counterparty as our liquidity provider, we will not be obliged to enter into any transaction with the client if in doing so we may be at risk of exceeding the liquidity available to us in the underlying market. For larger transactions, we may add an additional mark up or mark down and / or charges to our prices.

If a client undertakes repeated transactions, Finalto FS will view them on a cumulative basis for the purpose of determining such additional mark up and / or charges.

7. EXECUTION VENUES

7.1. Close Links and commercial ownership with respect to the Execution Venues used for CFDs

Execution Venues are the entities with which the orders are placed or to which the Company transmits orders for execution. For the purposes of the orders submitted to the Company by the client, as mentioned above the Company acts as Principal on the client's behalf at all times. Even where the Company transmits the orders for execution to third party liquidity providers, the Company remains the sole counterparty to your trades. Therefore, the Firm is the sole Execution Venue for clients' orders

Finalto FS uses automated systems to route and execute Client orders. Finalto FS will act as a principal to Client orders, including where orders are directly routed to Finalto FS's liquidity providers, whereupon Client execution may depend on the execution Finalto FS receives from its liquidity providers. We will use liquidity providers that we consider of highest quality and that provide Best Execution in-line with the terms of this Best Execution Policy. These liquidity providers will be reviewed regularly, and any potential issues will be reported to senior management and reviewed in detail.

In some rare circumstances, there may be delays in execution of orders, including orders placed through online trading systems. Some orders placed through online trading systems may be handled manually in circumstances where high traffic in electronic orders causes a back log due to, but not exclusively, excessive volatility causing illiquidity in underlying markets. In such circumstances Finalto FS may discontinue normal automatic execution procedures and turn to manual execution, leading to

possible delay in execution. In order to minimize such a risk, Finalto FS has in place procedures and arrangements which to the furthest extent possible provide for the prompt, fair and expeditious execution of client orders.

7.2. Conflicts of interest

Conflicts of interest are unavoidable in financial institutions such as Safecap with a diverse range of activities, including those trading as Principal with their clients. Finalto FS seeks to manage conflicts of interest fairly at all times.

Finalto FS hereby identifies and discloses a range of circumstances which may give rise to a conflict of interest and potentially but not necessarily be detrimental to the interests of one or more clients. Such a conflict of interest may arise if Finalto FS or any person directly or indirectly employed, remunerated or controlled by Finalto FS and its affiliates, or a client, is likely to make a financial gain, or avoid a financial loss, at the expense of a client.

We also map out here below our approach to managing these indicative areas of conflicts of interest:

Circumstances of potential conflict of interest*	Our approach to managing these
<p>When a client enters into any order to Buy or Sell a Contract for Difference ("CFD") on our online trading platforms, the client trades with us as his / her counterparty. We are the Principal to each trade that the client enters.</p> <p>This means that:</p> <ul style="list-style-type: none"> The client may only close each position he trades with us. The client's positions are not transferable to any other regulated investment firm. This is a major difference to when clients trade for example in Shares. In such cases, clients can move their holding in Shares to be traded through another investment firm – broker. In CFDs, clients can only trade / close their position with the investment firm – broker they initially opened their position with. If clients make profits on their trading, we lose. If the clients register losses on their trading, this means we profit. 	<ul style="list-style-type: none"> We have introduced an Order Execution Policy that sets out our obligations in delivering Best Execution to our clients. Best Execution is the process by which Finalto FS seeks to obtain the best possible result when executing client orders. Generally, Best Execution is determined on the basis of the total consideration paid to or by the client, unless the objective of execution of the order dictates otherwise. Prices quoted for CFDs are based on the published prices of underlying instruments on the regulated exchanges where such instruments are regularly traded or, with respect to Foreign Exchange, based on the aggregation of prices received from global investment banks and other liquidity providers Since 2017, we regularly advise the Cyprus Securities and Exchange Commission as our home regulatory authority of the number of winning and losing clients. We disclose our Spreads and charges on our trading platform Markets.com Our marketing communication is developed on the basis of being fair, clear and not misleading to clients and is issued following approval by the Compliance department.
<p>The settings of the trading platform may be at non-symmetrical parameters. A key area relates to trading slippage. Slippage refers to the difference a client expects to pay for a trade and the actual price at which the trade is executed. Slippage occurs because there is a slight time delay between the client entering the trade and the time the broker receives the order. During this time delay, the price may have changed. Slippage can be much higher in fast-moving, volatile markets. It can either work in favor of or against the client. Conflicts may arise if the application of slippage parameters is not symmetrical. That is the broker enables a higher negative slippage for the client whilst limiting the client's potential profit in positive slippage.</p>	<ul style="list-style-type: none"> All trading platform parameters are symmetrical. We fully disclose all risks of negative slippage as well as positive slippage in the Order Execution Policy and in the Terms & Conditions. We have monitoring procedures in place on an ongoing and regular basis to ensure the slippage parameters are indeed symmetrical.

Circumstances of potential conflict of interest*	Our approach to managing these
<p>Finalto FS, its employees, 3rd parties acting on behalf of or on the basis of specific agreements with Finalto FS (such as introducers, websites and social media) may have an interest in maximizing trading volumes in order to increase dealing revenues or their variable remuneration pay. This may be inconsistent with the need for client's to trade prudently or for minimizing clients' transaction costs. Finalto FS employees may also receive bonuses or other form of variable pay that links to the trading performance of clients.</p>	<ul style="list-style-type: none"> • Employees who receive any form of variable pay (including performance related pay) are subject to vesting periods with malus and clawback provisions. • Incidents of conflicts of interest or any other compliance breach lead to suspension of unvested rights and / or clawback of any awards and / or termination of employment. • Awards are structured so as to have regard to long term client satisfaction as opposed to short term Company gains, recognizing that our long-term success is premised on maintaining satisfied clients over the long term. • We do not engage with third party introducers which operate call centres. • Any websites, affiliates or other online introducers do not have any role in our assessment of the clients' knowledge and experience for onboarding purposes, such decision to onboard being at the entire discretion of Finalto FS. • Local registrations with regulatory authorities have to be adhered to by affiliates where appropriate.
<p>Where investment research or market information is provided this does not take account of the circumstances and investment objectives of individual clients. Finalto FS or legal and natural persons affiliated with it may have a position or trade in financial instruments that may be covered by such investment research.</p>	<ul style="list-style-type: none"> • We do not offer any form of investment advice and our disclaimers make this fact explicitly clear. • Market research is performed on behalf of Finalto FS by 3rd parties who are segregated from our Dealing, Sales and Retention employees. • We remunerate such 3rd parties on the basis of fixed fee arrangements which are not related to the trading generated from our clients. • Other than being a Principal to clients' trading or hedging for the market risk emanating for this trading, neither Finalto FS or its holding company or affiliates trade in any form of financial instrument for the purpose of short-term financial gains.
<p>Employees or business associates may have a personal holding in a security of a company and where such employees or business associates are involved in executing clients' orders, and – in breach of internal policy – encourage or push the client to trade in such a security.</p>	<ul style="list-style-type: none"> • Our Code of Conduct states clearly that we do not engage in investment advice and stipulate the consequences for any breach of this requirement. • We monitor client communications to ensure that our staff do not engage in any form of investment advice. • All employees are bound by our Personal Account Trading Policy as in force and effect from time to time. • Other indicative points as set out in the Code of Conduct extracts of which are set out above.

Circumstances of potential conflict of interest*	Our approach to managing these
<p>The Company may act as a manufacturer and/or distributor of its products, defining its target market, and therefore has an interest in maximizing its trading volumes by selling its products and services to a large variety of persons. Such appropriateness assessment will determine whether a client is appropriate to use the Company's services and is conducted at the onboarding stage.</p>	<ul style="list-style-type: none"> • The scoring methodology for the assessment of appropriateness was conducted following consultation meetings with all stakeholders within the Company under the direction of the Compliance Department so as for us to be in a position to reasonably determine whether complex Financial Instruments such as the CFDs are appropriate for the client to invest in. • Checks are performed on an on-going basis to ensure the system reflects the correct scoring and applies all rules set by the Company. • The Compliance Department performs sample reviews for each of the Company's Appropriateness categories (Experienced, Less Experienced, Inexperienced) to evaluate whether the client's categorization following the appropriateness scoring is in line with the latest scoring rules of the Company. • The assessment is performed in an automated way, thus Finalto FS and its employees are not able to manually interfere in the process. • On an ongoing basis and at least annually the Company performs an analysis and review of its appropriateness assessment and scoring methodology to determine its adequacy.

*Note that the above are only indicative areas of potential conflicts of interest.

8. ASSESSMENT OF THE QUALITY OF EXECUTION

Finalto FS reviews its Order Execution Policy (the "**Policy**") annually and whenever a material change occurs that affects Finalto FS's ability to obtain the best possible result for the execution of client orders.

The Firm has procedures and processes in place to analyse the quality of execution and monitor best execution. These processes and procedures also include reviewing the data under Commission Delegated Regulation (EU) 2017/575 ("**RTS27**"), as applicable. Finalto FS regularly reviews the overall quality of its order execution and of the published prices in underlying Financial Instruments provided by third party data vendor sources to ensure the continuous achievement of the objectives of this Document. Furthermore, the Compliance department and Internal Audit, perform additional independent reviews of the above processes.

Finalto FS will amend its processes and procedures as well as the Policy on the basis of such reviews if it considers it to be necessary. Any new policy will be made available on our web-site and will be in force as from the date of its publication. Whenever we introduce a material change to the terms of the Order Execution Policy (i.e. changes that affect your rights and obligations under the Agreement and the Policy), we will endeavor to notify you of such changes prior to the same taking effect. For the avoidance of doubt, changes to the trading terms including changes to our Spreads, leverage ratios, overnight or other fees and charges, CFD expiration period and other CFD product features shall not be deemed material for the purposes of this Policy.

9. INFORMATION ON THE TOP FIVE EXECUTION VENUES

Under the Regulations, the Company shall publish the top five execution venues in terms of trading volumes for all executed client orders in CFDs and Spread bets. As mentioned herein above, the Company acts as Principal on the client's behalf at all times and therefore is the sole Execution Venue for all its clients' orders.

Furthermore, we shall publish this information for Retail and Professional clients, as defined in our Client Categorization and Regulatory Protection document, in separate tables.

9.1. Definitions

For the purposes of this Regulation, the following definitions shall apply:

- (a) '**passive order**' means an order entered into the order book that provided liquidity;
- (b) '**aggressive order**' means an order entered into the order book that took liquidity;

(c) '**directed order**' means an order where a specific execution venue was specified by the client prior to the execution of the order.

We note that, the Company does not execute passive, aggressive or directed orders in respect to CFDs and Spread bets. All orders are treated as market orders in which the execution might be at a price significantly different from the prevailing market price when the order was entered or from the price specified in a pending order.

It should also be noted that, as per FCA, where firms provide both the services of order execution and reception and transmission of orders, they will need to provide two separate reports in relation to these services. It is important that these reports are distinct so that, investment firms disclose on one hand the top five execution venues and on the other hand the top five entities (brokers) to which client orders were routed during the relevant period.