

Execution Quality Summary Statement for the year 2017 on Execution Arrangements for Contracts for Differences (CFDs)

1. Purpose

Liteforex (Europe) Limited (hereinafter the “Company”) is a Cyprus Investment Firm (CIF) licensed and regulated by the Cyprus Securities and Exchange Commission (hereinafter “CySEC”) under the license number 093/08.

The Execution Quality Summary Statement (hereinafter the “EQSS”) is a statement that the Company is required to disclose to its Clients under the 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 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 Clients orders during the year 2017, covering a full year cycle (hereinafter the “Year Under Review”).

The Company urges its Clients and/or potential Clients to read the EQSS carefully as it contains information as regards the execution venues used by the Company in relation to the asset class of Contracts for Differences (CFDs).

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

This document is solely for own use and cannot be published elsewhere without the written consent of the Company.

2. 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 - *highest importance*;
- b. Cost - *highest importance*;
- c. Speed of execution - *high importance*;
- d. Likelihood of execution - *medium importance*;

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- e. Likelihood of settlement - *medium importance*;
- f. Size of order - *medium importance*;
- g. Nature of order - *medium importance*;
- h. Market impact - *medium importance*.

For more details on the assessment of each factor when executing Clients' orders please refer to the Company's [Best Execution Policy](#). During the Year Under Review the Company offered services to the following categories of clients:

Retail Clients

The Company, by virtue of the applicable regulatory framework, is required to provide Retail Clients 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 and which are directly related to the execution of the order.

Professional Clients

The Company did not maintain a business relationship with Professional Clients during the Year Under Review. Nevertheless, the Company has established appropriate execution arrangements to offer services to such clients. The Company places emphasis on price and execution costs aligning its execution arrangements for these Clients as those applicable to Retail Clients.

3. Execution Venues during the Year Under Review

The Company's execution venues during the year under review were:

No.	Name of Execution Venue	Country of Establishment	Commencement date of the business relationship with the Company	End date of the business relationship with the Company
1	JFD Brokers Limited	Cyprus	17/11/2015	N/A
2	Tifia Markets Limited	Vanuatu	26/08/2014	N/A

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

4. Change of Execution Venues during the Year Under Review

The Company notes that during the year under review it did not change the list of execution venues.

5. Conflicts of Interest

The Company lists 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 [Conflict of Interest Policy](#).

6. Payments or Non-Monetary Benefits (made or received) to/by Execution Venues

During the Year Under Review the Company's arrangements with its liquidity providers stipulated that the Company did not receive any money or non-monetary benefits from the liquidity providers for the execution of Clients orders. The Company pays its liquidity providers a fee based on trading volume that does not create a conflict of interest.

The Company generates its revenues from commissions paid by its Clients upon initiating a trading order. The Company's costs and charges are listed on the Company's website.

7. 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 to the following dimensions:

- a) Evaluating the Company's execution venues in accordance to the following:

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- I. Pricing Frequency (price updates in real time)
 - II. Speed of execution
 - III. Frequency and duration of price freezing
 - IV. Depth of liquidity
 - V. Pricing transparency
 - VI. Slippage frequency, etc.
- b) Technological prowess of Company systems (responsiveness of interface, lag, integration with the IT systems of the execution venues etc.).
- c) The Company uses in-house tools to monitor slippage, on a regular basis, to ensure that it is symmetric (i.e. balance between positive and negative slippages) and fair.

8. Review of Execution Monitoring - Control Functions

The Company's Brokerage Department produces reports on a monthly basis with the evaluation process described above (please refer to Section 7) and if actions are required liaise with the Company's senior management for next steps.

The Company's control functions (Compliance Function 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.

9. Execution Venues Report

The information presented below refers to the top 5 execution venues in terms of trading volumes used by the Company for executing the orders of Retail Clients under the STP model. The information refers to the Asset Class of CFDs for the year 2017.

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Information on the top 5 execution venues during the year 2017 (Retail Clients)					
Class of Instrument	Contracts for Difference (CFDs)				
Notification if <1 average trade per business day in the previous year	N				
Top execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Tifia Markets Limited 213800HA9VJZO1AXA376	51.3%	65.6%	100%	0%	0%
JFD Brokers Limited 213800AOC8U3XBYIRD50	48.7%	34.4%	100%	0%	0%