

F1MARKETS LIMITED

Private company incorporated under the Cyprus Companies Law, Cap. 113

Under registration number HE 329568

EXECUTION QUALITY SUMMARY STATEMENT FOR THE YEAR 2018 ORDERS RELATED TO CONTRACTS FOR DIFFERENCE (CFDs)

F1Markets Ltd (the “Company” or “we” or “our”) is a Cyprus Investment Firm incorporated and registered under the laws of the Republic of Cyprus. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (the “CySEC”) under the licence number 267/15

1. INTRODUCTION/SCOPE

In accordance to the Investment Services and Activities and Regulated Markets Law of 2017 (L. 87(I)/2017), which has transposed Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (the “MiFID II Directive”) into national law as well as the European Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 (RTS 28), the Company is required to summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where it executed client orders in the preceding year and information on the quality of execution obtained.

2. OBJECTIVE

The present Execution Quality Summary Statement (the “Statement” or “EQSS”) provides a summary of the analysis and conclusions the Company drew from its detailed monitoring of the quality of execution obtained from the Execution Venues where it executed all client orders during the year 2018, covering a full cycle (the “year under review”).

The EQSS should be read in conjunction with the Company’s “[Order Execution Policy](#)”. If you have any questions about this Statement or Best Execution procedures, please contact us.

3. EXECUTION MODEL

During the year under review, the Company acted as an agent (straight through processing model) and arranged the execution of clients’ orders with a sole Liquidity Provider/Execution Venue, IOS Investments Ltd, being the sole liquidity provider until 20 of November 2018, is an Investment Firm authorised by the Internal Financial Services Commission of Belize (‘IFSC’). It is noted that the Company and IOS Investments Ltd are members of the same Group of Companies. Pursuant to a specific policy applied by the Cyprus Securities and Exchange Commission (‘CySEC’), the Company decided to only engage with Liquidity Providers/ Execution Venues based and regulated within the EU. To this end the Company has established a business relationship with OBR Investments Ltd, an Investment firm licensed by CySEC, to act as its Liquidity Provider/ Execution Venue.

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No.	Name of Execution Venue	Country of Establishment	Commencement date of relationship with the Company	Conclusion date of relationship with the Company
1	IOS Investments Ltd	Belize (IFSC regulated)	04/08/2017	20/11/2018
2	OBR Investments Ltd	Cyprus (CySEC regulated)	29/10/2018	N/A

The Company has been offering investment services in relation to Contracts for Difference to Retail Clients and Elective Professional Clients. The regulatory framework requires the Company to provide Best Execution for its abovementioned Clients. Specifically for Retail Clients, the Company by virtue of the applicable regulatory framework, is required to provide the 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.

4. SPECIFIC CLIENT INSTRUCTIONS

Further to the above, during the year under review, the Company has been utilising only one Execution Venue, and therefore, the clients did not have the choice to select a different Execution Venue.

5. RELATIVE IMPORTANCE OF EXECUTION FACTORS

The Company when executing Clients' Orders is required under the relevant regulatory framework to assign a relative importance on the following execution factors. The factors are sorted below by the level of importance given when the company executes clients' orders

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

For details on how each factor is assessed ex ante when executing clients' orders please refer to the Company's "[Order Execution Policy](#)".

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6. CONFLICTS OF INTEREST

As mentioned above, the Company and IOS Investments Ltd (acted as the Company's Liquidity Provider during the reference period) belong to the same Group of Companies. In this respect, the Company, throughout the duration of the aforementioned business relationship, has implemented appropriate safeguards in order to mitigate any possible conflicts of interest that may arise.

The Company lists (non-exhaustive) the possible conflicts of interest it is facing (inclusive of conflicts of interest in relation to the Execution Venue it uses) as well as the relative mitigation measures in its ["Summary of Conflict of Interests Policy"](#). As mentioned before, on 20 of November 2018 the Company terminated its business relationship with IOS Investments Ltd.

7. PAYMENTS OR NON-MONETARY BENEFITS (MADE OR RECEIVED) TO/BY THE EXECUTION VENUE

The Company may receive from its Liquidity Provider(s) a fee based on the perspective volume of trades. The Company acknowledged that such a payment from its Liquidity Provider(s) entails an inherent conflict of interest that may, if not mitigated properly, endanger the Company's obligation to act in the best interest of its Client. The Company has ensured that in this respect robust control mechanisms to monitor and mitigate such conflicts, please refer to our ["Summary of Conflict of Interests Policy"](#).

8. TYPES OF ORDERS

Below is a list of different CFDs Orders being offered by the Company - although these did not affect the selection of the Execution Venue, as only one has been utilised:

- Market Order
- Instant Order
- Limit Order
- Stop Order

9. TOOLS AND DATA USED FOR THE ASSESSMENT OF BEST EXECUTION

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 evaluating the samples in accordance to the following dimensions:

(a) Evaluating the Company's Execution Venue in accordance to the following:

- Pricing Frequency/Speed (real time monitoring of prices);
- Speed of execution;
- Slippage statistics on sampling basis;

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- Complain analytics;
- Availability of Tradable Assets;

10. REVIEWS OF EXECUTION MONITORING

The Company's brokerage department produces reports on a /monthly/ basis with the evaluation process described above 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.

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Class of Instruments	Contracts for Difference				
Notification if < 1 average trade per business day in the previous year	No				
Top 5 Execution Venues ranked in terms of trading volumes (Retail Clients)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as % of total in that class	Percentage of passive ¹ orders	Percentage of aggressive ² orders	Percentage of directed ³ orders
IOS Investments Ltd LEI:549300LXJ4QIR7R5VJ92	98%	92%	92%	0%	0%
OBR Investments Ltd LEI:213800WYGKF2K3TGPT48	2%	8%	8%	0%	0%

Class of Instruments	Contracts for Difference				
Notification if < 1 average trade per business day in the previous year	No				
Top 5 Execution Venues ranked in terms of trading volumes (Professional Clients)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as % of total in that class	Percentage of passive ¹ orders	Percentage of aggressive ² orders	Percentage of directed ³ orders
IOS Investments Ltd LEI:549300LXJ4QIR7R5VJ92	82%	75%	75%	0%	0%
OBR Investments Ltd LEI:213800WYGKF2K3TGPT48	18%	25%	25%	0%	0%

¹Passive Order means an order entered into the order book that provided liquidity;

²Aggressive Order means an order entered into the order book that took liquidity;

³Direct Order means an order where a specific execution venue was specified by the client prior to the execution of the order;