



AxCap247
AROUND THE CLOCK TRADING

Axis Capital Markets Limited
Order Execution Policy

1 Purpose

1.1 Introduction

This policy details how Axis Capital Markets Limited (the 'Firm') will comply with its overarching regulatory requirement of taking all the *sufficient steps* to obtain, when executing orders, the best possible results for its clients.

The Firm is authorised by the Financial Conduct Authority (FCA) and, as such, will act in accordance to the rules as defined in the FCA Handbook, which will take precedence over the requirements of this policy.

2 Review of policy

This policy, and the Firm's order execution arrangements, will be reviewed regularly, at least once a year, and amended as considered necessary by the Firm's Management Body in the event of changing circumstances or regulations.

3 Best Execution

Best execution is the overarching requirement for firms to take 'sufficient steps' to provide the client with the best possible overall results on a consistent basis, and not just by providing the best price for an individual trade. To do this, the Firm shall take into account execution factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration considered to be relevant to the execution of client's orders.

Nevertheless, where there is a specific instruction from the client the Firm shall execute the order following the specific instruction. If the client's specific instruction covers one aspect of the order, the Firm will follow its execution policy for the other aspects to ensure best execution.

3.1 Delivery of Best Execution

The Firm is responsible for executing client orders and as such is responsible for providing best execution for those orders.

4 Scope

4.1 Financial instruments

Best execution requirements apply to all financial instruments as listed in the Annex I of MiFID II, section C. This policy applies to the following instruments:

- Equities
 - Shares
 - Depositary receipts
- Debt instruments
 - Bonds
 - Money markets instruments
- Currency derivatives
 - Futures and options admitted to trading on a trading venue

- Swaps, forwards, and other currency derivatives (f) Structured finance instruments
- Equity Derivatives
 - Options and Futures admitted to trading on a trading venue
 - Swaps and other equity derivatives
- Commodities derivatives and emission allowances Derivatives
 - Options and Futures admitted to trading on a trading venue
 - Other commodities derivatives and emission allowances derivatives
- Contracts for difference
- Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

4.2 Clients

This policy applies to Retail Clients and Professional Clients. In accordance with the Firm's obligations to the client, it has notified the client of the client classification that applies to them.

4.2.1 Retail Clients

When dealing with Retail Clients, there is a regulatory assumption that the client can rely on the Firm to protect their interests, and the Firm will apply best execution to all trades that the client places through it, which will be assessed on the basis of 'total consideration'.

4.2.2 Total Consideration

Total Consideration is defined as the sum of the price and the costs incurred by the client and it represents the price of the financial instrument and all costs associated with the execution of client's order including execution venue fees, clearing and settlement fees, and any other fees paid to third parties involved in the execution of the order. The Firm will use technology to monitor execution price from counterparties and compare these against market to assess whether best execution has been obtained.

4.2.3 Professional Clients

When dealing with Professional Clients, the Firm does not differentiate between an 'elective' Professional Client and a 'per se' Professional Client and will apply Best Execution to all transactions undertaken for its clients.

4.2.4 Eligible counterparties

This policy does not apply to Eligible Counterparties where carrying out Eligible counterparty business and as such, the Firm does not owe best execution to transactions undertaken by clients classified as such.

4.3 Activities

The Firm has permission to carry out the following regulated activities:

- Arranging (bringing about) deals in investments
- Making arrangements with a view to transactions in investments

- Dealing in investments as agent
- Dealing in investments as principal (matched principal limitation)
- Arranging safeguarding and administration of assets
- Agreeing to carry on a regulated activity

This means that the Firm may execute or transmit client orders in instruments governed by this policy.

4.3.1 Contract for Differences

The Firm recognises that when closing out an open position, the client must close out the contract with the firm that sold it to them, even if there is a better price elsewhere.

To ensure that in those circumstances the Firm will comply with its Best Execution obligations, it will take all sufficient steps to obtain the best possible results in relation to the instrument underlying the CFD and by disclosing how they calculate their internal fees and charges.

4.4 Order Types

Regardless of the type of order that the client transacts with the Firm, best execution will apply. This will normally include order types commonly used on an execution venue, as defined by MiFID.

5 Best Execution Obligations

5.1 Order execution arrangements & client information

The Firm has designed and implemented specific arrangement to take all sufficient steps to obtain, when executing client orders, the best possible results taking into account the execution factors including:

- A specific venue selection process
- The ranking of the execution factors in accordance with the characteristics of the client, the order, the financial instrument and the execution venue to which that order may be directed
- The design of efficient execution strategies
- The verification of the fairness of the price when dealing in OTC products

5.1.1 Information on order execution policy

In accordance with its regulatory requirements, the Firm has prepared this order execution policy summarising the its best execution arrangements and explaining clearly how the orders will be executed by the Firm: The best execution policy is also published on the Firm's website.

This information includes disclosures on execution quality data and execution venues.

5.1.2 Demonstrating compliance with the order execution policy

Where a client makes reasonable and proportionate requests for information about its policies or arrangements and how they are reviewed, the Firm will answer clearly and within a reasonable time. The Compliance function is in charge of this process. It may include demonstrating that the client order where executed in accordance with this policy.

5.1.3 Inducements

The Firm does not receive any third-party payments or non-monetary benefits.

5.2 Client consent

In accordance with its regulatory requirements, the Firm will obtain the client consent on its order execution policy by requesting confirmation during the application process.

5.3 Costs

The Firm does not charge different fees or costs depending on the venues used in order to ensure that costs are transparent and fully disclosed to the client. For some markets, clients may be liable to pay commission charges for opening and closing trades however these costs will be disclosed to the client where required.

The Firm will agree a charging structure with the client at the outset and the charging structure will not vary depending on the financial instrument being traded however clients should be aware that the spread can differ and that this is beyond our control. All implicit and explicit costs will be disclosed to the client.

5.3.1 Price Slippage

It is acknowledged that in rare circumstances, price slippage may occur despite the automated nature of the platform. There are several factors that may lead to price slippage, for example, market data latency, the speed of a client's internet connection or high market volatility can cause this. Clients should be aware that when price slippage occurs it can be to their disadvantage/Where price slippage occurs, the Firm will ensure that the client is not disadvantaged.

5.4 Execution Factors

In the absence of express instructions from the client, the Firm will exercise its own discretion in determining the relative importance it assigns to the execution factors (or the process by which it determines their relative importance) that it needs to take into account for the purposes of providing the client with the best possible result.

These execution factors have been listed in order of priority and will include, but are not restricted to, the:

- **Price and costs of execution:** The automated system will seek out the best overall outcome for the transaction in terms of the prices offered and by extension, our spread; and the total cost including fees/commissions charged as this is likely to be the most important execution factor to our clients.
- **Likelihood and speed of execution:** Through the use of an automated trading platform, orders will be executed promptly with only rare opportunities for price slippage to occur. Due to the nature of the platform it is likely that speed of execution will be of high importance to our clients.
- **Size, nature and characteristic of the order:** A typical transaction consists of a currency trade in one lot or less, hence will be highly liquid. Some venues will not cover all instruments therefore in some cases the nature of the order will determine the venue.

Settled block trades, or positions larger than standard market size, may be crossed at a particular

stage in the trading day or kept anonymous to the majority of market participants; unless otherwise directed.

- **Characteristics of the client:** Our client base will consist of Retail Clients although we will also deal with Professional Client and Eligible Counterparties. The Firm is aware that Retail Clients are afforded the highest protections and will place greater emphasis on any obligations owed to them.

5.5 Execution strategies

In the absence of express instructions from the client, the Firm will exercise its own discretion in determining the execution strategy it needs to apply to obtain the best possible results where executing a client order.

5.6 Execution Venues

The Firm currently executes orders for equities, equity swaps, and CFDs. When selecting an execution venue, the Firm will carry out extensive due diligence and whose performance we will continue to monitor to ensure our clients continue to receive excellent service primarily on the bases of prices offered, total consideration to the client, speed of execution and reliability of trading infrastructure.

When selecting the execution venue, the Firm took reasonable measures to ensure that it could obtain the best possible trading result for its clients, subject to the following factors:

- In the markets in which the Firm operates, the platform will give clients visibility to prices that have been communicated to the Firm;
- The platform will provide details of all tradable bids and offers (subject to the other matters referred to below);
- Time availability of prices – in many markets there are lulls and spikes in trading as negotiations align trading interests at different times and different parts of the curve, accordingly the “last traded” price may not always be available or act as a reliable indicator of current price;
- The Firm cannot allow clients to trade in a market unless it is reasonably satisfied that the client (via an agent or otherwise) is capable of settling the relevant trade;
- Fees may vary between clients, based on agreements and levels of activity.

The execution venues used may evolve and the Firm reserves the right to include/exclude execution venues at its own discretion.

5.7 Executing order outside a trading venue

The Firm may execute client orders outside a trading venue. In such circumstance the Firm will seek to obtain the clients express prior consent before proceeding with the execution. The Firm will maintain the records of the consents obtained.

5.8 Client instructions

Where the client provides the Firm with a specific instruction in relation to an order, or any particular aspect of that order, including an instruction for the trade to be executed on a particular venue, the Firm will execute the order in accordance with the client's instruction.

The Firm will take all the steps it has designed in this policy to obtain the best possible results for the client in respect of the order, or aspect of the order, not covered by the specific instruction. It is however possible that the specific instruction may prevent the Firm to take all the steps it has designed in its order execution policy to obtain the best possible results in respect of the elements of the order not covered by the specific instruction.

5.9 Verifying the fairness of the price

For each financial instrument that is traded OTC, the Firm before proposing the price to the client and/or executing the order will check the fairness of the price by comparing the price to external market data or reference prices in the same financial instrument or a comparable financial instrument if no reference price is available in the same financial instrument.

5.10 Annual information on the identity of execution venues and on the quality of execution

The Firm will summarise and make public on an annual basis, for each class of financial instrument, the top five execution venues in terms of trading volumes, where it has executed client orders in the preceding year, together with information on the quality of execution obtained.

6 Monitoring

The Firm will monitor the effectiveness of its order execution arrangements and order execution policy in order to identify and, where appropriate, incorporate any amendments to procedures. The Firm will monitor the prices available in the wider market to make sure that its executing parties are offering fair prices and that they continue to provide the best results for clients.

The Firm will assess, on a regular basis, whether the execution venues included in the order execution policy provide for the best possible result for clients or whether it need to make changes to its arrangements.

The Firm will review its order execution arrangements and order execution policy at least annually or whenever a material change occurs that affects its ability to continue to obtain the best possible result for the execution of client orders on a consistent basis using the venues included in its order execution policy.

7 Material Changes

The Firm will notify clients of any material changes to its order execution arrangements or order execution policy as described above by posting the information on its website.

8 No Fiduciary Relationship

The Firm's commitment to provide clients with "best execution" does not mean that it owes clients any fiduciary responsibilities over and above the specific regulatory obligations placed upon it or as may be otherwise contracted between the Firm and clients.

Clients remain responsible for their own investment decisions and the Firm will not be responsible for any market trading loss clients suffer as a result of those decisions.